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CALIFORNIA Journal

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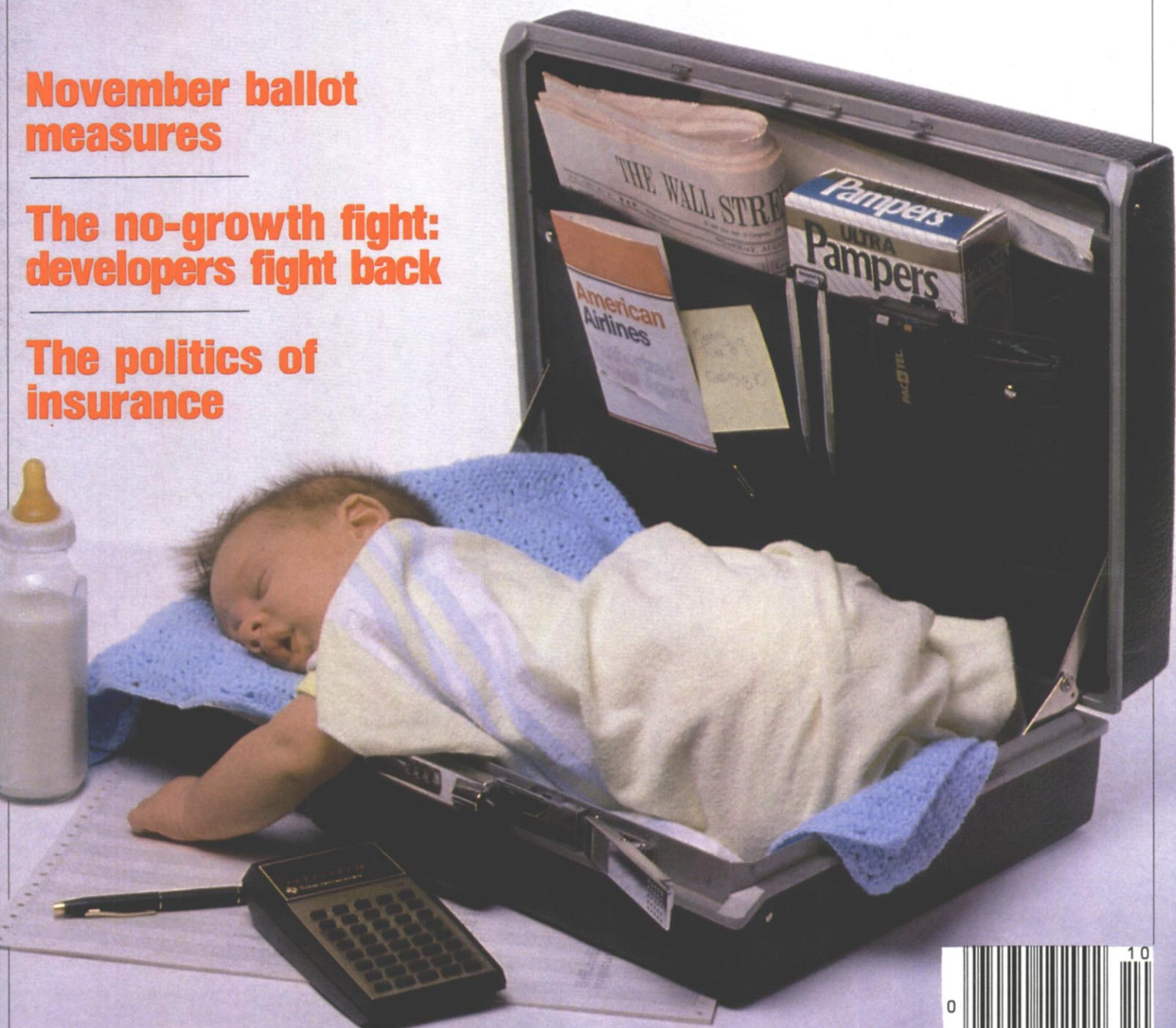

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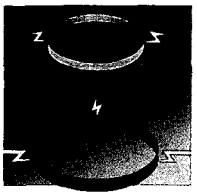

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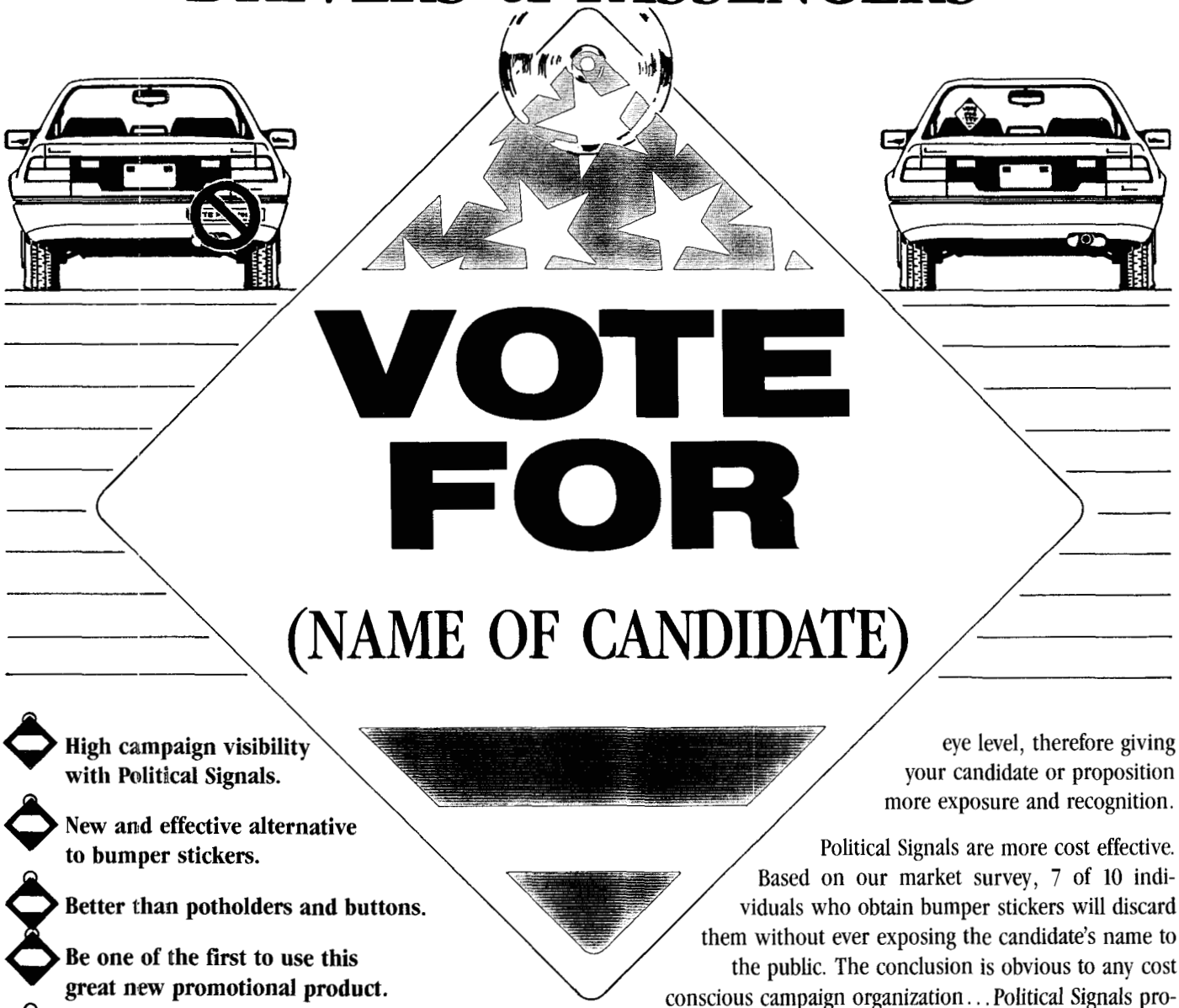

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CALIFORNIA Journal

VOLUME XIX, NUMBER 10 OCTOBER 1988

November Ballot Book

Fasten your seat belt for a ride through California's most crowded ballot in half a century. This booklet provides California Journal's *review of all 29 measures, including a special section on the five initiatives related to auto-insurance reform. The November Ballot Book includes background information on all propositions, as well as a summary of each proposal and arguments for and against each measure.*

The politics of insurance 416

The five insurance-related initiatives before voters in November represent a battlefield more than a ballot. By Rick Kushman

A crisis in child care 423

As more and more mothers join the work force, there is mounting pressure to provide adequate care for their children.

By Kathy Luddy

Bashing no-growth 444

Developers are using large warchests to successfully fight initiatives sponsored by no-growth movements. By Donna Prokop

The business lobby 453

Although they represent thousands of businesses and corporations, the state's business lobbies exercise only moderate clout.

By Max Boot

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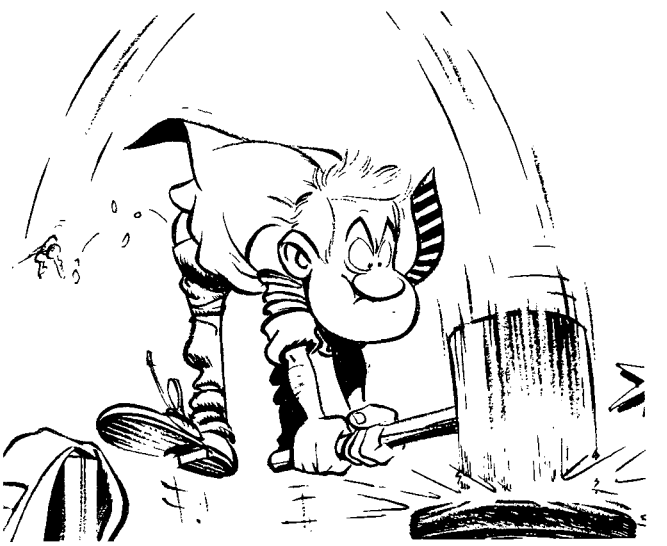

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UP FRONT

It's understandable if the folks who work in and around the Legislature are a little testy these days. Seems everyone is upset because of a nocturnal visit by a bunch of FBI agents who searched the offices of Senator Joseph Montoya and Assembly members Gwen Moore, Frank Hill and Pat Nolan — two Democrats and two Republicans. Seems the FBI had set up a fake company and pretended they wanted to build a plant to package shrimp in West Sacramento. They then approached lawmakers about a bill that would give them some cheap financing for the fake firm. Money was spread around, both campaign contributions and honoraria, and rumors have it that conversations were put on tape and maybe on video as well. Since the feds were not talking for the record, leaks, secret sources and just plain jungle drums were the order of the day. New status was accorded to those who were approached by the undercover FBI, both legislators and staff, but turned down their offers; sort of like making Nixon's enemies list. Even the five legislators who voted against the bills (which had passed, by the way) suddenly received a special mantel of probity. Governor George Deukmejian, apparently tipped off, vetoed the bills. Those in the Republican caucus who want to get rid of Minority Leader Nolan saw this as an opportunity, and there were calls for his removal lest the cloud over him harm Republican chances in November. Speaker Willie Brown's office even circulated a story about $1000 in cash being slipped under the door of a Brown aide, and being promptly returned. In a rare public statement, the FBI said the incident never happened.

Most of those involved either have remained silent, protested that they have nothing to fear, or reacted with righteous indignation. After all, they had done nothing wrong.

The problem is that the Legislature is operating under a campaign-financing system that is not much short of legalized bribery and extortion. How common is it for lobbyists and legislators to talk about a bill, and then have the conversation turn with, "By the way, I see you haven't bought any tickets to my fund raiser." Or, "By the way, our check to your campaign is on the way." Lawmakers with the highest ethics are the ones who wait a week, then send an invitation in the mail. Legislators insist they stay on the legal side of the line and that no votes are exchanged for cash. But we wonder how a jury would react to these conversations that Capitolists consider routine. They may have the chance.

It's never too early, they say. With the November 1988 ballot laden with 29 measures (see *California Journal*'s ballot booklet in this issue), some people are already circulating petitions for propositions that won't go before voters until June 1990. Most recently, a group has started gathering signatures for an initiative that would give Congress the power to declare peace. The measure's proponents have until January 23, 1989, to submit enough legal signatures — in this case, 372,178 — to qualify for the June 1990 ballot.

State Senator Art Torres recently found himself in the unenviable position of asking Governor George Deukmejian to veto one of the senator's own bills — SB 2896. The bill, which passed both houses of the Legislature, would require that existing high-rises be retrofitted with automatic sprinkler systems meant to fight fires. Seems Torres discovered a drafting error in the bill's final version; the systems were to be installed within three years but the bill allowed four years. The discrepancy, said the Los Angeles Democrat, was significant enough to have him request Deukmejian's veto. Torres said he plans to reintroduce the measure when the new Legislature convenes in December.

Speaking of innovative ways to kill legislation even after it's approved by the Legislature, opponents of the veal-calf bill were able to ding it after it successfully passed the Assembly and Senate. The bill (AB 2653 by Democratic Assemblyman Tom Bates of Berkeley) would have required more humane treatment of veal calves. Sponsored by the Humane Farming Association, the bill was promoted with a series of stark advertisements showing a calf being raised in a small crate (see *CJ*, March 1988, page 133). AB 2653 was approved 44-31 by the Assembly in late January 1988 but not before Bates agreed to re-refer the bill to the Assembly Agriculture Committee at a later date. The bill passed the Senate 24-6 on August 11th. Bates then allowed the bill to bounce back to the Agriculture Committee, which met on August 24th, took some testimony, discovered it had no quorum and adjourned without a vote. Since the committee did not meet again before the end of the two-year legislative session on August 31st, Bates' bill was a goner.

Hurrumph. The State Bar is upset. Hurrumph, hurrumph. Seems Bar President Terry Anderlini thinks that lawyer jokes contribute to the profession's poor image among the public. Bar Vice President Richard Alexander agrees, saying lawyers shouldn't put up with the jokes. Other attorneys are suggesting that their cohorts leave a room if someone begins telling lawyer jokes. Hurrumph, hurrumph. Okay, lawyers, you may leave the room now: Did you hear the one about the client who asked why his legal bill was too high? His attorney itemized the charges, including this item — "Was walking down the street and saw you on the other side. Walked to the corner to cross at the light, crossed the street and walked quickly to catch up with you. Got close and saw it wasn't you. — $50.00." (Joke courtesy of *Nolo News*, a Berkeley quarterly published by Nolo Press and aimed at attorneys. *Nolo News*, by the way, runs a regular column of lawyer jokes and has been a particular target of Anderlini's wrath.)

We didn't mean to slight Santa Clara County when reporting last month that Democrats in the 11th Senate District had lost their candidate upon the death of Bob Mack Jr. (see "Up Front," *CJ*, September 1988). We said that the San Mateo County Democratic Central Committee would name a replacement for Mack, ignoring the fact that half the district lies in Santa Clara County. Seems the Democratic central committees from both counties met jointly on

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August 25th to pick a new candidate. The nominee — San Mateo County Supervisor Tom Nolan. He'll face incumbent Republican Rebecca Morgan on November 8th.

California's ethnic diversity shows up especially in its public schools. And for the first time in state history, Anglo students no longer make up at least 50 percent of the state's public-school enrollment. According to Superintendent of Public Instruction Bill Honig, Anglos represent 49.2 percent of students entering public schools for the Fall 1988 semester. In 1966 over 75 percent of the students were Anglo. In addition to Anglos, California's current crop of public-school students is 30.7 percent Latino, 9 percent Black, 7.6 percent Asian, 2.2 percent Filipino, .8 percent Native American, and .5 percent Pacific Islander. Total enrollment is estimated at 4,600,000.

"Teaching is not a lost art, but the regard for it is a lost tradition."
— Jacques Barzan

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In the brief period we've been involved in our Government Informational Vignette Program, we've gotten the word from quite a few good people — besides Jim 'n' Jerry — we've gotten it from Robert Reid, James McMullen, and Lauren Wonder. Our thanks to all of you.

At KSAC, we've learned that it's easy to be "in the know" — read the morning paper. However, "Getting the word" is more difficult. It requires hearing, in their words, from those who actually do the work. And we do that every day between 8-9 AM, 11 AM-Noon and 3-4 PM.

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— Many knew, but few got the word —

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ROSTRUM

Michael Frost

Concerning your article on Michael Frost (see "Frost," *CJ*, August 1988), one of the more pleasant and rewarding features of my job is considerable opportunity to deal with Mr. Frost. Unfortunately, my many dealings with him lead me to a very different conclusion than your article suggests. I have found Mr. Frost to be a most open, accessible and caring chief of staff. Indeed, since his appointment, attributable largely to his style, the communcations between the governor's office and the County of Los Angeles have greatly improved. The accurate observation that you make of the degree to which Mr. Frost does mirror Governor Deukmejian, far from being a problem, is a great asset in our dealings with him.

RICHARD DIXON
Chief Administrative Officer
Los Angeles County

Budgets

Your "Civics Class Pop Quiz" (see "Up Front," *CJ*, July 1988) might leave some readers with the impression that Governor George Deukmejian was a bit naive to think he could fool the media and the public into believing that his "temporary minimum adjustment" was not a tax increase. But the governor was merely trying to repeat his 1982 success. That year, the Supplemental Property Tax (and other similar "adjustments") were labled as "closing loopholes." The media and the public bought the governor's sugar-coating without a murmur. (Even Howard Jarvis, in deference to the governor's conservative credentials, remained silent.) As a result, California's property owners have been saddled with a Supplemental Property Tax ever since. A $400,000,000 per-year dump on new homeowners and expanding businesses, that tax easily takes the prize as the state's least cost-effective and most inequitable levy. Having succeeded so easily in 1982, who can blame the governor for thinking he could shear the same sheep in 1988?

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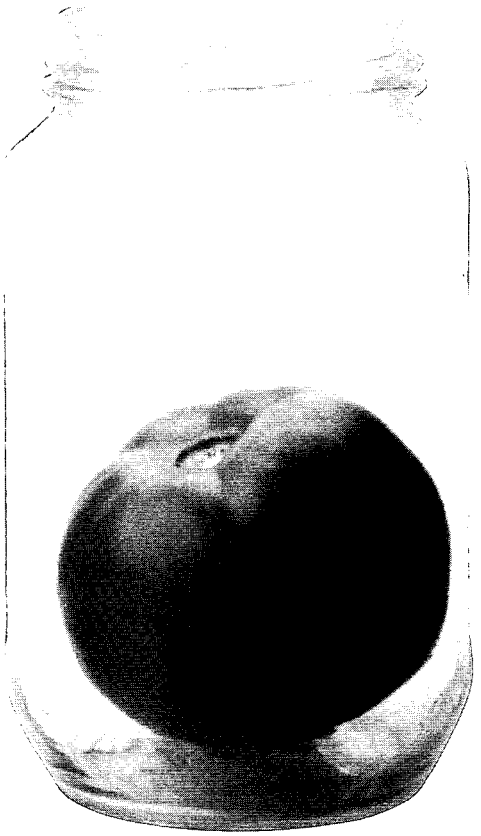

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The insurance-reform stampede

Legislative impotence puts voters on the spot

By Rick Kushman

So, how did California wander into this mess, this ballot war over auto insurance? Come November 8th, California voters must confront five auto-insurance initiatives, featuring trial lawyers, insurance companies and consumer advocates locked in a record-shatteringly expensive combat. Their weapons: obfuscating ads and $60 million.

The stakes are high. California's 15 million insured drivers and $10 billion worth of annual premiums make up 15 percent of the nation's auto-insurance market, according to A.M. Best, an industry research organization. And the $1 billion to $2 billion in contingency fees paid to lawyers in California represent roughly the same percentage of that nationwide field, according to estimates by the Rand Corporation.

Mostly, the war erupted at the ballot box because the two main antagonists — lawyers and insurance companies — are bitter enemies who could not resolve their differences without a powerful neutral party to guide the way. That neutral party could have been the California Legislature. But lawmakers were co-opted as effective peacemakers by massive infusions of campaign contributions from both sides; years of legislative skirmishing between lawyers and insurers have been lucrative for members of the Senate and Assembly, and a real solution would likely have angered both sides. That the Legislature could not resolve the conflict is further evidence of the influence of campaign money on legislative thinking, for lawmakers were powerless to deal with an issue — skyrocketing auto-insurance rates — that affected every constituent in every district in the state.

But to bring all sides together and prevent war, lawmakers first had to understand and be willing to confront one of the world's most ubiquitous but unfathomable industries — insurance — a formidable task. Many legislators barely understand their own auto-insurance policies, let alone the intricacies of an industry shrouded by vague and highly-technical accounting practices and protected by a layer of anti-trust exemptions. As one insurance lobbyist said, he always can present legislators with an argument that sounds plausible and principled, "because they have no idea what I'm talking about."

But getting a handle on the insurance business is only one side of the equation. There are other interested parties. For instance, trial lawyers, who earn large chunks of income by suing insurance companies in the aftermath of auto accidents,

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Rick Kushman is a Capitol correspondent for the Sacramento Bee.

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oppose reforms that might cut into their share of the pie. And there are consumer groups, self-appointed guardians of a muddled public, who scurry about the edges of every attempt at compromise.

This past legislative session, state lawmakers never made a run at real reform. And as the days dwindled toward session's end, the schemes became more and more desperate and more overtly political. At one point, a few panicked people on both sides floated a compromise constitutional amendment to put on the ballot, where it might supercede all five initiatives if it passed. Never mind that such an amendment required a two-thirds vote from a legislative body that had yet to produce a simple majority after years of wrangling over major insurance legislation.

As on the eve of any war, there were optimists who thought a solution possible, until the Legislature adjourned without one during the wee hours of September 1st. Most Capitol observers knew last Spring, however, that the political atmosphere was too charged to produce a compromise. And when in June trial lawyers and consumer advocates filed initiative petitions for what became Proposition 100, California was propelled beyond the point of no return.

The roots of the current war go back far beyond this most recent episode of insurance rates gone ballistic, back to what seems like the dawn of modern financial and legal times. Simply put, insurance companies and trial lawyers hate each other. Every time insurance rates go up, the call goes out to regulate insurers who face few anti-trust laws or regulations in most states. Insurers, to protect themselves, howl back about lawsuits shoving insurance costs toward the sky. Lawyers, to protect themselves, join the push for regulation. These two interests, among the most wealthy and powerful in the nation, usually force a stalemate. With no resolution of the problem, they keep fighting.

While the two sides brawl, insurance rates go up, with each side blaming the other for the increases. Insurance companies contend that rates are up because of fraud by victims and their lawyers, lawsuit-happy drivers, and the state's reliance on cars. Lawyers, on the other hand, blame sloppy insurance company management, insurance industry redlining of big cities as high-risk areas, and the state's reliance on cars. Both sides cite rising medical costs, which brings powerful associations of doctors and hospitals into the fray to protect themselves. The situation was made that much more critical by an October 1987 state Supreme Court ruling that upheld a law requiring every driver to carry proof of insurance.

As in any war, stalemates are moved off-center by the evolution of a new weapon. In World War I, it was the tank; in World War II, the atom bomb. In the auto-insurance war, it was the initiative. The weapon first surfaced in 1987 on another battleground — tort reform, which also pitted insurers against trial lawyers. After years of fruitless wrangling inside the Legislature, insurance companies and their tort-reform allies — manufacturers — found that if they threatened to run an initiative to limit lawyers' contingency fees and manufacturers' liability, they could force lawyers to give ground.

Using that tactic and about a month of closed-door negotiations under the watchful eyes of such legislative leaders as Assembly Speaker Willie Brown, the two sides drafted a tort-reform proposal that limited manufacturers' liability but did not attack lawyers' fees. Some details of this compromise were jotted down on a napkin at Frank Fats' restaurant, a legislative watering hole in Sacramento. The bill produced off this napkin swept through the Legislature in the last hours of the 1987 session. The compromise was hailed as a truce between the antagonists, a real measure of peace within the Capitol. Each side promised not to sponsor, among other things, an initiative for five years.

The so-called peace pact unravelled even before the napkin was dry. First of all, not all sides were represented during the negotiations. Consumer groups, especially, complained that they — and the public — had been left out of the deal. They began making noises about 1988 initiatives. Even the parties to the compromise felt true protection came not from an oral, unenforceable peace pact but from aiming a loaded initiative at the enemy. Thus, the importance of the weapon that forced lawyers to compromise was lost on no one. Before long, lawyers and insurance companies joined consumer advocates, and even some Los Angeles community activists, in beating their chests about 1988 insurance initiatives.

"It became clear to all of us in the consumer movement that we needed some outside options to put pressure on legislators and insurance companies," said Harry Snyder, west coast director of Consumers Union.

Snyder's threat was enough to generate yet another compromise in late 1987, this one involving some insurance companies and some consumer groups and trial lawyers on a very mild form of rate regulation.

That compromise had a two-week lifespan. The geography of insurance reform had become too Balkanized. Other consumer groups, including Consumers Union and Access to Justice — a Ralph Nader-connected group run by consumer activist Harvey Rosenfield — labeled the original compromise a sellout that was too weak and did little to reduce auto-insurance rates. And some of America's largest insurance companies, including State Farm Mutual, said the deal was too tough; meaning, regulation in any form was too tough. That was the closest the parties came to a compromise on auto insurance.

Over the next months, as lawyers and insurers and consumer groups struggled to find common ground, everyone was loading up on artillery by drafting and circulating initiatives for extra clout and for backup. At one point, nine potential insurance initiatives were filed with the secretary of state. Lawyers, insurers and lawmakers involved in the wrangling, including Assemblyman Lloyd Connelly, a Sacramento Democrat, said they dearly hoped to avoid an initiative war. "Maybe we were a little naive," Connelly said.

While insurers and lawyers practiced skirmishing and saber-rattling in the Legislature, forces outside their control lurched the whole process toward all-out war. One plan came from the Nader-backed Rosenfield and Bill Zimmerman, a long-time consumer activist. By late 1987 they had merged Rosenfield's desire for a insurance initiative with Zimmerman's goal of a grass-roots consumer organization with clout. To do that, Zimmerman needed a phone list and an organizing tool, much the way Howard Jarvis organized and perpetuated his tax revolt in 1978 with Proposition 13. Together, Rosenfield and Zimmerman launched what was to become Proposition 103, and only a miracle — in the form of actual insurance reform from the Legislature — could stop them.

Another plan came from Democratic Assemblyman Richard Polanco of Los Angeles, with help from Harry Miller — owner of Coastal Insurance Company. Polanco decided the Legislature could not pass something balanced dealing with insurance. "My initiative takes from trial lawyers and insurance companies," he said. "That is the only way to do it."

But consumer advocates up and down the state, includ-

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ing Rosenfield and Snyder, said Polanco was talked into the initiative drive by Harry Miller, whose company stands to make millions if Proposition 101 passes. Large chunks of Coastal's costs would either be reduced or deflected to others such as health insurers or employers. More than that, critics charge, the savings to Coastal far outweigh the rate cuts offered to drivers.

Those plans may have nudged trial lawyers and insurers toward the edge, but the two big interests fell into the initiative battle mostly on their own. Each side had hard-liners and compromisers within its ranks, causing internal dissension that prevented the two sides from agreeing on a compromise as time ran short. Lawyers, for example, would not accept insurers proposals for a no-fault system, and insurers believed lawyers were so afraid of the initiative war that they would eventually give in to insurers' demands. As animosity continued to grow — suprisingly, there was still room for more animosity — each combatant began to believe it could win in November, if necessary. No reason to give up too much in negotiations, they reckoned.

By June, when the deadline approached for turning initiative petitions into the secretary of state, each side had sunk into a bunker mentality and refused to entertain any suggestion of compromise that might weaken its position come November. The initiatives, which may solve the problem of high insurance rates, were mostly trotted out as weapons of defense for lawyers and insurance companies. After all, as any political consultant will testify, when the public is as inflamed as it is over something such as insurance rates, it is much easier to push your own initiative — including one that cancels your enemy's plan — than to stop another measure.

Now voters are left trying to unscramble the jumble of provisions and interlocking allegiances and endorsements of the following initiatives (also see *California Journal*'s ballot booklet in this issue):

• **Proposition 100:** Among its provisions, it would create tough regulation for all liability insurance, give good drivers a 20 percent discount, institute a broad range of consumer protections, and end industry's anti-trust exemptions. It would also gut key pieces of the insurance industry's initiative (Proposition 104) by banning no-fault insurance and limits on lawyers' fees.

Trial lawyers have thrown their weight behind Proposition 100, funding up to 75 percent of a $10-million budget. This has brought mixed results. The initiative — including the ban on limits on lawyers' fees and no-fault — is a collection of consumer proposals pushed in recent years by a coalition of consumer advocates led by Connelly and including Rosenfield. It was written by the initiative's sponsor, Steven Miller, head of Insurance Consumer Action Network, and by aides to Connelly and Attorney General John Van de Kamp.

The California Trial Lawyers Association started with its own initiative. But CTLA leaders, who read polls as well as anyone, knew such an effort would be an easy target for anti-lawyer ads. So they helped bankroll Proposition 100, making it a target for those ads, and for barbs from Rosenfield. In Capitol circles, it is simply called, "the lawyers' initiative."

Thus far, the campaign has spent much of its energy fending off attacks by the insurance industry. At the same time, proponents have slung some mud at insurers by running ads showing a cowboy shoveling manure to indicate what the insurance industry is doing. Eventually, they hope to portray Proposition 100 as the most complete approach offered by the broadest coalition.

• **Proposition 101:** This measure would cut the price of some coverage, possibly reducing rates by 10 percent to 30 percent, and it would limit pain-and-suffering awards and some lawyers' fees. It also would expire in 1993. Harry Miller of Coastal Insurance is the financial force. Proponents expect to spend $8 million, and Miller has contributed more than 90 percent of the $2 million already in the coffers.

Consumer groups have begun to attack this measure, calling it a rip-off designed to make Harry Miller rich. The insurance industry isn't sure what to make of it. Some companies don't like it, other companies do. The industry's campaign has decided to ignore it.

Miller and his legislative sponsor, Democratic Assemblyman Richard Polanco, have thus far run a low-key campaign, allowing everyone else to throw and absorb most of the blows. It is likely they will surface in mid-October with a campaign that accents what Polanco has claimed all along — that his measure takes from both insurers and lawyers and gives drivers a fat rate rollback.

• **Proposition 103:** Like Proposition 100, Proposition 103 would regulate insurance companies, give good-driver discounts and end anti-trust exemptions. It would also require a 20 percent rollback on all liability insurance rates and would make the state insurance commissioner an elected, rather than governor-appointed, position.

Rosenfield, with little campaign money compared with the opposition, said he will be lucky to spend more than $2 million to $3 million. But he may have the most effective weapon in any arsenal — Ralph Nader. Rosenfield said Nader is ready to barnstorm the state as the election nears, and he hopes Nader or the Nader name will attract enough free media attention to compensate for a dearth of advertising. He has also picked up support from a range of consumer advocates, including Consumers Union and Common Cause.

Continued on next page

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While that may help the Proposition 103 campaign, it could confuse voters. Californians, after being battered with contradictory claims for months, are likely to look for consumer-group support as guidance. But with some consumer groups attacking each other, and others supporting both measures, voters will find little clarity from that quarter.

• **Proposition 104:** This measure creates a no-fault system that promises a rate rollback averaging 7 percent to 17 percent, does away with consumer protections in current law or proposed in other initiatives, prevents some regulation and limits lawyers' fees in auto cases.

The insurance industry plans to spend $43 million — oceans more than any group has spent on a campaign in American history outside a presidential race. (Part of that also will go for the industry-run Proposition 106 campaign.) Despite the money and the ubiquitous radio and television ads, early polling shows Californians trust neither no-fault nor insurance companies.

The industry's campaign consultant, Clint Reilly, used former client Bill Honig, the state schools chief, to add public credibility to the campaign during the Spring. But Honig has since pulled back, saying the school officials he is working with on his Proposition 98 campaign "had some problems with my active role in other races."

Reilly argues that the polling is too early. "We need to educate voters about no-fault," he said.

Insurers haven't been shy about spending for that "education." Industry ads were on the air by early Spring. Much of their time has been spent dumping on Proposition 100, calling it a "Trojan Horse" for lawyers to protect their fees. Given their limitless warchest, insurers will be best equipped to adjust their ad campaign to counter opposition ads.

• **Proposition 106:** Proposition 106 would limit contingency fees for plaintiffs' attorneys in personal injury cases. The measure was written by insurance officials as an additional threat to lawyers during the negotiations, but has become a valuable electoral tool. Industry officials said they expect it will siphon off money from the lawyers' pro-Proposition 100 campaign and create dissension in the already fractious CTLA ranks. They appear to be right. Some lawyers want to run their own anti-106 campaign, while CTLA's policy has been to fight it by pushing Proposition 100 with its ban on lawyer-fee limits.

Privately, some industry lobbyists said they believe Proposition 106 could be the most important measure on the ballot for insurance companies. They said by limiting the lawyers' incomes, it will weaken their ability to give campaign contributions — ending the age-old standoff between insurers and lawyers.

As the polls show, there is a strong chance all five measures will win. Then, some poor judge will be faced with trying to sort out which provisions cancel which, and whether any of them are constitutional. (Rest assured, they all will be challenged after they pass. Nearly a dozen suits already have been filed by insurers and lawyers challenging ballot arguments, constitutionality, labeling and funding sources.)

While California drivers wait perhaps years to learn what it was they decided about insurance rates, lobbyists will be back at work next year taking one more swing at writing insurance law in the Capitol.

"I've been marshalling my chits," one industry lobbyist said near the session's end. "I figure, next year we are all back here trying to straighten out the mess we will have created in November."

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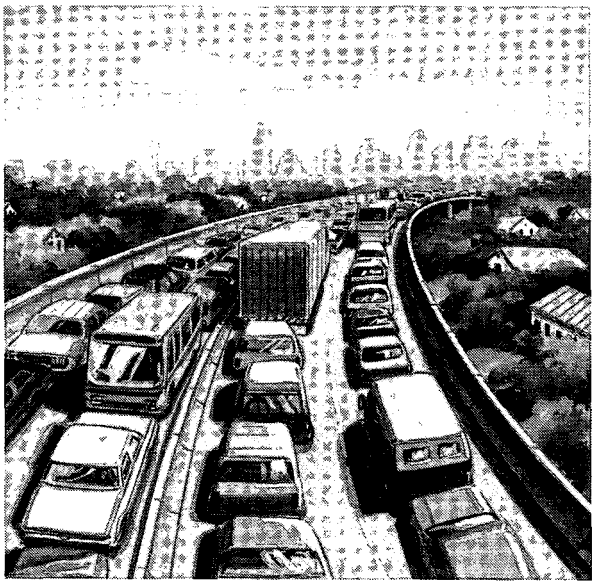

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WHO TAKES CARE OF JUNIOR?

Raising a fuss over child care

By Kathy Luddy

In the movie "Baby Boom," Diane Keaton plays a hard-charging business woman who suddenly must care for a baby she inherits. She finds herself divided between her loyalty to work and her loyalty to her new child. Fortunately for Keaton, she discovers the merits of home life, retreats to the country to raise the child and, incidentally, run a successful business out of her home. Most working mothers aren't so lucky. They still have to go to work and, when they do, they have to find someone to care for their children.

That's a task that has become increasingly difficult. Experts say good child care — in fact, *any* child care — is difficult to find, often unaffordable and, in many instances, poor in quality. The Assembly Select Committee on Child Care estimates that 1.6 million California children need some form of paid child care, but that licensed child care is available only for 600,000. But while experts agree there is a problem, there is little agreement on the solution — or on what role government should play. As U.S. Secretary of Labor Ann Bennett has noted, "The demand is obvious. What is not obvious is government's proper role and function both in providing child care and financing it."

But if politicians find solutions elusive, they still are anxious to at least appear concerned about solutions. For example, both the major party presidential contenders, Republican George Bush and Democrat Michael Dukakis, are supporting child-care programs in an effort to woo women's votes, although their approaches differ. In fact, their emphasis on this and related issues has resulted in this being called "the year of the family" for presidential campaigns. And in California, Democrats and Republicans have responded with a flood of bills on the subject, although few of any substance have become law.

The shortage of child care is affecting an increasing number of families but hits hardest where there is only one parent or a low family income. Yet even those who can afford quality child care often must place their names on long waiting lists for positions in day-care facilities, sometimes lining up before the child is born. The state Senate Select Committee on Infant and Child Care Development has reported that there are two children for every available slot in private-sector child care.

For those families that depend on government assistance to pay for child care, the problem reaches crisis proportions. According to information submitted to the Senate's select committee, California is currently allocating $400 million (twice the amount per capita of any other state) to subsidize child care and refer others to non-subsidized care. Still, it is estimated that fewer than 10 percent of the children who qualify for subsidized care are being served.

Where licensed care is available, it is expensive. Fees range from $275 to $500 per month, per child. Thirty-four

Kathy Luddy is a California Journal *intern.*

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percent of families pay nothing for their child-care arrangements, relying instead on neighbors and relatives.

On the federal agenda are two major child-care bills: the Act for Better Child Care (the "ABC bill") introduced by Democratic Senator Christopher Dodd of Connecticut and Congressman Dale Kildee, a Michigan Democrat; and the Child Care Services Improvement Act of 1988, introduced by Utah's Republican Senator Orrin Hatch and Congresswoman Nancy Johnson, a Connecticut Republican.

The ABC bill would create a $2.5 billion program to subsidize child-care facilities and require that those facilities meet a new nationalized set of licensing standards. Parents with family incomes of up to 115 percent of the median income for their state would be eligible for federal assistance. Proponents of the ABC bill defend its hefty price tag, insisting that because of the pervasive need, expenditures of a lesser amount would be spread too thin to help anyone. Democratic presidential candidate Michael Dukakis supports this measure. During his term as governor of Massachusetts, Dukakis spearheaded a state-sponsored child-care program considered the most comprehensive in the nation.

But opponents of the ABC bill say it will actually increase child-care costs in some parts of the country, since meeting the higher standards (particularly an increase in the ratio of staff to children) will result in added expenses. It has been estimated that in some states, costs for child care will increase by $12.78 per student each week and that for some 786,400 children, child care will no longer be available. Opponents also point out that mothers who choose to stay home and care for their own children will receive nothing according to the terms of this measure. They say that passage of the ABC bill will decrease parental choice in making their own child-care arrangements, since assistance would only be available to those enrolled in a licensed day-care home or center — which would exclude home care by relatives and day-care programs run by churches, unless they refrain from promoting religion.

For states such as California — which already have high licensing standards for group size, staff-child ratios, staff qualifications, parental involvement and access, and health and safety — passage of the ABC bill will be more beneficial, since the state's share of the money can go directly toward reducing the costs parents have to pay for child care, according to the April-May 1988 issue of *Child Care Review*.

In contrast, the Hatch/Johnson bill would provide $375 million in its first year in "seed money" for new child-care projects, a tax credit of up to 25 percent for employers who assist their employees with child care, tax relief for family child-care providers (including a triple tax exemption for each child that a parent cared for at home) and funding for state liability insurance pools. Opponents of the Hatch/Johnson bill say that the tax credit for employers and the triple tax exemption will add considerably to the bill's $375-million price tag when lost tax revenue is taken into account. They also point out that the triple tax exemption is meaningless to the very poor who do not pay any taxes, as the bill has no provisions for refunds.

Republican presidential candidate George Bush does not support either of the two measures but has come out with his own child-care proposal which would give a $1000 tax credit for each child under the age of four to families in which at least one person works nearly full time. This tax credit would only be available to lower-income families (those with under $12,000 annual income at first, rising to $20,000 over the next four years), making it available to needy families who do not earn enough to pay taxes. Bush also would maintain the existing dependent-care tax credit, make it refundable and allow families to claim the greater of the two credits. Advocates of the Bush plan claim that it recognizes the social value of raising children and would allow parents the choice of keeping the cash and taking care of the children themselves or to choose to pay for their own child-care arrangement while they work, whether that be a formal preschool program or a relative or neighbor. Opponents say that the $1000 tax credit works out to about 48 cents-an-hour for a 40-hour week, not enough to pay for good child care. They say that few parents will stop working and stay home with their children in order to collect a $1000 credit.

The debate over the ABC bill highlights one of the major issues in child-care support: How much quality are we willing to sacrifice in order to increase availability? Are California's high child-care licensing standards an unnecessary encroachment of government into our lives? After all, there are no qualifications to be met in order to become a parent. Why should there be such high qualifications to be met by those who care for children while parents work?

This fall, Democratic state Senator Robert Presley of Riverside, chairman of the Senate Select Committee on Children and Youth, plans to hold hearings on possible changes in the state's child-care rules that would cut the "red tape" associated with getting a child-care license. Presley has noted that since there are no requirements for caring for six or less children in a home, perhaps tough standards aren't really needed when more than six children are in a home.

But advocates of higher standards argue that quality programs with trained staff can have benefits beyond just allowing parents to work.

The High/Scope Educational Research Foundation's 25-year Perry Preschool study showed that early education of children, especially those living in poverty, can reduce dropout rates in later years, as well as reduce the number of children who go on welfare and lower delinquency rates.

An economic cost-benefit analysis of the Perry Preschool program and its long-term effects showed that such a program can return $6 for every $1 invested on a one-year preschool program, the $6 being money saved on costs that would otherwise be incurred for special education, juvenile delinquency and subsequent unemployment and welfare assistance, according to Lawrence Schweinhart, High/Scope Foundation Director. It is estimated that it costs less than half as much to provide a preschool education for a child as to provide imprisonment for that person for one year.

These statistics are for children living in poverty, and no one expects this type of return for middle-income children. However, the study said all children participating in a quality preschool program exhibit an educational edge. Schweinhart, addressing members of the Senate Select Committee on Infant and Child Care and Development said, "These results point to the universal importance of good early childhood experience in families and programs. If they [kids] are in a good environment, they will be better off for it through their whole lives; and if it's a bad environment, if it's not developmentally rich, they will not profit and possibly even suffer from that experience."

Children and their parents are not the only ones to benefit from quality child-care programs. Businesses are finding advantages to alleviating their employees' child-care problems. Among these benefits are decreased absenteeism, increased productivity (especially during after-school hours when many parents are preoccupied with the activities of their latchkey children) and improved employer-employee relationships. Yet, of the six million employers in the U.S.,

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only 3000 provide any kind of child-care benefit or assistance, according to Jean Brunkow, Chairwoman of the San Diego Child Care Coalition and Executive Director of the YMCA Child Care Resource Services in San Diego County. Of the 44,000 U.S. companies with 100 or more employees, only 150 operate day-care centers. Assemblyman Tom Hayden, a Santa Monica Democrat, introduced a bill earlier this year that would have required private employers of more than 100 in a single county to provide child-care benefits to their employees. Major opposition to this bill erupted while in the Labor Committee, mainly from the business community, according to Hayden staffer Judy Corbett, resulting in the bill's amendment into one that would authorize the Child Development Program's Advisory Committee to provide information to businesses on employer-sponsored child care.

California legislators, although initially slow to react, have this year responded to the clamor for available, affordable, quality child care by introducing more than 50 bills dealing with child care, compared with eight child-care bills introduced in 1982. Child care has finally become one of the major political issues, with Democrats and Republicans piling onto the little red child-care wagon together. Generally, Republicans favor legislation directed at helping private-sector child care to provide services to more children, while Democrats favor state-sponsored programs aimed at helping the neediest families first. Republicans are hesitant to support programs that would discriminate against women who choose to stay home with their children rather than to work.

Earlier this year a group of legislative staff members concerned about child-care issues formed a two-house, bipartisan child-care coordinating group that held weekly meetings to examine proposed child-care legislation in an effort to give an added boost to those measures that had the best chance of becoming law. After examining approximately 70 bills, they narrowed the field to 20 which they felt were significant and could be supported by both parties. Members of the group also met with Peter Mehas, education advisor to Governor Deukmejian, to discuss which bills had the greatest chance of receiving a signature once they reached the governor's desk, all in an effort to speed up the legislative process and get child-care programs implemented.

Of these bills, nearly half died in the Legislature, including all those with big price tags. In fact only one of the bills — a measure by Democratic Senator Dan McCorquodale of San Jose that would provide child care to the children of teenage parents still in high school — contained any significant spending increase. It called for spending $20 million. According to Pat Dorman of *On the Capitol Doorstep*, a monthly legislative report on issues affecting children, helping teenagers to complete a high school education is the only area where Republicans have made an on-going commitment to child care.

However, several bills that could have hefty future price tags were approved. One by Republican Senator Rebecca Morgan of Los Altos Hills establishes automatic cost-of-living increases for state-supported child-care facilities and another by Democratic Senator Gary Hart of Santa Barbara would give tax credits to employers that provide child care facilities for their employees. As of September 13, 1988, those measures had not been signed by Governor Deukmejian. Many of the remaining measures, however, call for studies or pilot projects, reflecting the state's financial condition and the lack of consensus on child-care issues.

As of September 19th, only two measures had been approved by the governor. One would give local governments the right to set up special assessment districts, subject to approval by two-thirds of the voters, which could construct child-care facilities. The other would allow some 100,000 state workers to have child-care money deducted from their paychecks, which would reduce their income tax burden.

Although the consensus for more government action on child care is broad, there are still conservatives who worry that providing more child care will discourage mothers from staying home and caring for their own children, ignoring the fact that dual-earner families are becoming more and more an economic necessity. Skeptical attitudes about the need for child care still persist, such as that of Republican consultant Jim Bald in his analysis for the Assembly Labor and Employment Committee on a child-care bill introduced by Assemblyman Hayden earlier this year: "Liberals of the Volvo/Chablis set are constantly returning to child care as a problem they want to solve, because their career-oriented women don't want to stay home with the kids. It's boooooring. Working-class women who work because they have to seem to always find a place to drop off kids in the morning and pick them up in the afternoon."

Most legislators realize that working mothers are a social reality, not a fad. One-fourth of parents with children under age nine are single and have to work or join the welfare rolls.

Senator Morgan, chairwoman of the Senate Select Committee on Infant and Child Care and Development, in the conclusion of her Child Care Forecast noted: "As someone once said, 'New occasions teach new duties.' American lifestyles are changing, and our society must respond... If the potential of tomorrow's adults is limited because of inadequate developmental support for children today, there will be long range penalties of state, national and international significance."

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A CALIFORNIA JOURNAL ANALYSIS:

NOVEMBER 1988 BALLOT PROPOSITIONS

This November, Californians will confront a ballot laden with 29 propositions — the most since 1922 when 30 measures appeared. The 1988 election does not present voters with a ballot as much as with a battleground: smokers vs. non-smokers (Proposition 99); labor vs. the governor (Proposition 97); AIDS victims and the gay community vs. law-enforcement officials and conservative Republicans (Propositions 96 and 102); and insurance companies, trial lawyers and consumer groups in a three-way melee that promises to cost as much as $60 million (Propositions 100, 101, 103, 104 and 106). In addition, there are nine bond measures and eight legislative propositions that deal with such bits of legal arcana as deleting property tax residency conditions for armed forces claimants under the 1978 Proposition 13 (Proposition 93) and giving the governor the authority to review decisions of the parole board (Proposition 89).

Several of the bond measures provide an interesting political footnote, for they are part of what turned out to be an ironic compromise between the Democrat-dominated Legislature and the state's Republican governor and his legislative minority. Last spring, the governor and Republicans in the Legislature agreed to a support bonds for libraries, the homeless, water-quality protection and toxic clean-up if Democrats would go along with the governor's proposed transportation bond (Proposition 74, June 1988). No one liked the whole pie; most lawmakers supported it to ensure the success of each slice. In the end, Governor Deukmejian got nothing, because voters defeated his transportation bond by a margin barely visible to the political eye — 355 votes out of over 5 million cast.

On the November ballot, propositions are not grouped according to subject matter but instead are numbered in the order they qualified. Thus, the five insurance-related propositions do not appear together but are scattered throughout the ballot, adding to what is already a confusing array of decisions for voters.

REPRINTS

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PROPOSITION NUMBERING

In 1983 the Legislature passed a law requiring that ballot measures be numbered consecutively from election to election, starting with November 1982. Previously, each election got its own set of proposition numbers starting with 1. But the system proved confusing. If you say "Proposition 13," do you mean the tax-cutting proposal of 1978 or the water-conservation proposal of 1982? Since 1982, 77 propositions have appeared on various ballots, thus the current crop begins with number 78. It will continue this way for 20 years, so the next Proposition 1 will be in 2002.

78 HIGHER EDUCATION FACILITIES BOND ACT

Background: In the past, the University of California, California State University and the community college system have been largely funded by revenue earned from the sale of tidelands oil and from revenue bonds, with additional support appropriated from the general fund. However, declining oil prices have produced less revenue in recent years, resulting in less money for higher education. In June 1988 voters approved a $400-million bond measure to make up some of this lost revenue. Over the last several years, studies have been completed by the University of California and California State University systems and the California community colleges to assess long-term and short-term needs (dormitories, classrooms, laboratories, gyms,

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etc.) in excess of $500 million for each of the next two fiscal years (1988-89 and 1989-90).

Proposal: If approved by voters, Proposition 78 will provide $600 million worth of general obligation bonds to acquire and construct school facilities for the University of California, California State University, state community colleges and the California Maritime Academy. It will also provide money for short-term loans to community colleges for instructional equipment. The governor and the Legislature will decide the specifics of how the money is to be spent. Like all general-obligation bonds, these are backed by the state's taxing power.

Argument For: Led by state Senator Gary Hart (chairman of the Senate Education Committee), Governor George Deukmejian and University of California President David Gardner, proponents argue that Proposition 78 will allow California's public higher-educaton system to build the libraries, laboratories and classrooms needed for ever-increasing student enrollments and prevent over-crowding in the near future. The money will also allow the state's universities and colleges to adopt the latest technology, all of which will eventually strengthen the state's economy by providing an educated workforce, proponents argue.

Argument Against: A retired state administrator with the California Youth Authority, William McCord, argues that bonds are an expensive way to buy buildings and equipment. For $600-million worth of classrooms and equipment, he says, Californians will pay $480 million in interest over the next 20 years, for a total of over $1 billion. McCord advocates a system where expenditures are paid for with available money, thus cutting the cost almost in half. He claims that by placing capital expenditures on the ballot as bond issues, the Legislature postpones major costs to future years, leaving more room in the current budget for lower priority projects or those lacking popular support. McCord also argues that interest income from state bonds is exempt from federal and state income taxes, creating a loophole for wealthy investors to avoid paying their fair share of taxes and shifting the tax burden to the working class.

79 1988 SCHOOL FACILITIES BOND ACT

Background: Proposition 79 is the second half of a two-part bond proposal meant to provide $1.6 billion for the state's elementary and secondary schools. The first part — Proposition 75 — passed overwhelmingly in June 1988. According to legislative staff, California schools will require more than $5 billion over the next five years for facilities construction, reconstruction, remodeling and maintenance. Presently, two major sources of revenue fund school construction: fees levied on land developers and paid to local school districts, and revenue raised by local education bond issues. Present law also allows special community service districts to form and sell bonds locally to fund school construction. Local bond issues must be approved by a two-thirds vote, whereas state bond issues need only a majority to pass.

Proposal: If passed, Proposition 79 will provide $800 million in general obligation bonds for elementary and secondary (K-12) school facility construction and reconstruction. Not more than $100 million will be reserved for reconstruction and modernization of facilities, not more than $100 million for the removal of hazardous asbestos in school facilities, and not more than $20 million for air conditioning and insulation materials.

Argument For: Proponents, including Governor George Deukmejian, state Senator Marian Bergeson, state Assemblywoman Jackie Speier, claim over 140,000 new students are entering California public schools each year. Three hundred new classrooms must be constructed each month to house these students and reduce existing overcrowding. Our public schools are also aging and in need of structural repairs and the removal of hazardous asbestos insulation. Proposition 79 will continue the work of meeting the state's school facilities crisis already begun by companion measure Proposition 75 without raising taxes.

Argument Against: Roger Magyar, state director of Parents for Choices, Accountability, and Reform in Education (Parents CARE), argues that California cannot continue to charge state expenditures via bond measures, imitating what he calls carefree spenders in Washington, D.C. Magyar argues that taxpayers statewide should not be forced to pay the costs of constructing local schools. In June 1986 California voters approved a proposition authorizing local school districts to issue bonds for new school construction. If local taxpayers are unwilling to tax themselves to build schools, why should taxpayers in the rest of the state pick up the tab, he asks.

80 NEW PRISON CONSTRUCTION BOND ACT

Background: California prisons are chronically overcrowded. According to the Department of Corrections, the prison system averages 159 percent of capacity, with some facilities over 250 percent of capacity. Presently, there are 65,000 inmates in the California prison system, three times the number in 1980. Prisons have been approved and money appropriated for construction by the Prison Construction Bond Acts of 1984 and 1986. But according to an announcement by the Deukmejian administration in August 1987, the state must spend another $1.8 billion on new prisons over the next four years.

Proposal: Proposition 80 will make $817 million available for the construction, remodeling and overdue maintenance of state youth and adult corrections facilities. Currently, $2 billion is appropriated annually from the general fund for operational costs of the California prison system. This appropriation must increase with each new prison.

Argument For: Governor Deukmejian heads the list of proponents, which includes Republican Assemblyman Larry Stirling, chairman of the Assembly Committee on Public Safety, and Democratic state Senator Robert Presley, a former deputy sheriff who has become the Legislature's foremost authority on prisons. They claim that overcrowded conditions place correctional officers and staff in constant danger. They also cite orders issued in 39 other states limiting the prison population. State prisons at Folsom and San Quentin are already under court orders to reduce overcrowding. The cost of the bond measure breaks down to three dollars per Californian and will not result in a tax increase.

Argument Against: Libertarian Party members Ted Brown, Kim Goldsworthy, and William Fulco argue that instead of building new prisons, the entire criminal justice system needs to be reexamined. They suggest decriminalization of drugs as the solution to at least half the crime and resultant prison overcrowding in California. Opponents also argue against all bond measures, saying that California cannot continue a pattern of limitless bonded indebtedness.

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81 CALIFORNIA SAFE DRINKING WATER BOND LAW

Background: Previous expenditures for the construction, improvement or rehabilitation of domestic water systems were authorized by the California Safe Drinking Water Bond Laws of 1976, 1984 and 1986. Still, the state Department of Health has discovered toxic pollutants in 126 of California's large public drinking-water systems — pollutants known or suspected of causing birth defects, cancer and other serious illnesses. Proposition 81 is part of the legislative compromise between the governor and Democrats referred to in the introduction.

Proposal: To meet minimum drinking standards, Proposition 81 will make $75 million in bond revenue available for state loans and grants for constructing, upgrading or rehabilitating any public water system. No more than $400,000 will be granted and no more than $5 million will be loaned to a single agency. Priority will be given to those public agencies having immediate health-related problems, as certified by the state Department of Health. Grants will only be issued to agencies which have also applied for a loan, and will only amount to that portion of the loan that the applicant is unable to repay.

Argument For: Proposition 81 has broad bi-partisan support, including Republican Assemblyman Bill Leonard, Democratic Assemblyman Jack O'Connell, the Association of California Water Agencies, the Health Officers Association of California, the California Council for Environmental and Economic Balance, the California PTA, the California Municipal Utilities Association, and the League of Women Voters. According to proponents, the Department of Health Services continues to add community water suppliers to its priority health-hazard list as new sources of contamination are discovered and as new drinking-water standards are established. Proponents argue that many Californians are drinking polluted water and will continue to do so until money is appropriated to upgrade water systems.

Argument Against: Opponents include Jerry Douglas, director of the Topanga-Las Virgenes Resource Conservation District, Libertarian Party Chairman Ted Brown and Southern Vice Chairman Kim Goldsworthy. They argue for a switch to private alternatives to the rapidly failing government water systems. They point to the huge growth in the bottled water industry as evidence that people no longer trust the quality of their water nor the government system that provides it. Firms in England and France, and the 122-year old San Jose Water Company are cited as successful examples of private water systems that opponents say are more efficient and economical than government agencies.

82 WATER CONSERVATION BOND LAW

Background: According to legislative counsel, California communities could outgrow their water supplies unless additional water resources are developed, water conservation programs implemented and groundwater recharged. The recharging or refilling of underground reservoirs has been practiced in California for 90 years. Surplus surface water from wet years is pumped into available storage reservoirs underground, where it is safe from loss due to evaporation or saltwater contamination, for use in dry years. Under existing law, it is state policy to financially assist public agencies in the construction of water projects to meet local requirements. The state agency responsible for implementing this policy is the Department of Water Resources. Currently, according to the legislative analyst, the department has more than $215 million worth of applications for funding from various water systems. Funds from previous bond measures, most recently in 1984, are expected to be exhausted by November 1988.

Proposal: Proposition 82 will provide $60 million in general obligation bonds for local water project facilities, water conservation programs and groundwater recharge facilities. Forty million dollars will be allocated for loans to local agencies to aid in acquisition and construction of water conservation programs and groundwater recharge facilities, including the lining of ditches and canals and repairing broken pipes and leaky water conveyors. The remaining $20 million will be loaned to local agencies to aid in construction of dams, reservoirs or other improvements for the diversion, storage or distribution of water or facilities for groundwater extraction. This measure also makes amendments to the interest language in the Water Code enabling conformity with the federal 1986 tax law.

Argument For: Proponents include Democratic Assemblymen Jim Costa and Norm Waters and Democratic state Senator Henry Mello. They say that the state Department of Water Resources currently has 103 applications from local agencies on

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file representing $215 million worth of water conservation and groundwater recharge projects. Proponents claim that over half these projects have three dollars in benefits for every one dollar in cost, a good investment for all Californians. They also claim that conserving more water will delay the need to build more dams and also provide a water supply to meet the demands of our ever-burgeoning population, agriculture and other industries.

Argument Against: The opponents of Proposition 81 also oppose this measure. Privatization of water systems is touted as a more efficient and a fairer way of providing water to consumers. Opponents point out that 85 percent of the water used in California is for agriculture, and that water supplied to the agricultural users is provided at a much lower price than for residential users. The same Colorado River water is distributed for agricultural use via the Imperial Irrigation District, which pays $10 an acre foot, and for residential use via the Los Angeles' Metropolitan Water District, which pays $250 an acre foot. Opponents argue that low prices encourage waste. By privatizing water systems and doing away with price controls, prices would decrease for residential customers and increase for big agricultural and commercial customers.

83 CLEAN WATER AND WATER RECLAMATION BOND LAW

Background: California's lakes, ponds, rivers, streams, coastline and groundwater are threatened with pollution. With the state's ever-increasing population, the pollution stress on these water bodies becomes ever more severe. The chief cause of water pollution is the discharge of inadequately treated waste. Presently, local agencies have the responsibility for construction, operation and maintenance of water treatment facilities, but the rising costs of construction and technological advances have exceeded the ability of small communities to pay for them.

Proposal: Proposition 83 will make $65 million in general obligation bonds available for a water-pollution control and water-reclamation program: $25 million to be used for grants to small communities for construction of treatment plants, with no more than $2 million awarded to a single project; $10 million to guarantee local agencies' bond measures as they try to raise money locally for their water treatment facilities; and $30 million for loans to local agencies to aid in the design and construction of water reclamation projects (the process of purifying used, dirty water for re-use, especially for landscape and agricultural purposes).

Argument For: Democrats Henry Mello, a state senator, and Jim Costa, chairman of the Assembly Water, Parks and Wildlife Committee, claim that the most effective way found to improve the quality of our lakes, waterways and coastline is to properly treat wastewater. All previous bond issues providing grants and loans for construction and improvement of local sewage treatment facilities have been approved by California voters by large margins. According to proponents, the Department of Health Services' priority list for fund distribution far exceeds the funds currently available. California is currently experiencing a drought, dramatizing the importance of conserving water.

Argument Against: William McCord argues that water reclamation is not cost-effective for agricultural use and not aesthetically acceptable for domestic use. He insists that agricultural interests should bear the cost of removing pesticides and other agricultural wastes from the water they use, possibly motivating them to reduce the use of pesticides. He also argues that bond measures shift the tax burden from wealthy investors, who buy the tax-free bonds, and the working class, who eventually pays them off. If bond financing is unavoidable, local public agencies should present their proposals as bond issues for approval by the local voters, sparing statewide voters the expense.

84 HOUSING AND HOMELESS BOND ACT

Background: The state Department of Housing and Community Development estimates that there are between 50,000 and 75,000 homeless persons in California, with the fastest-growing portion being families with children. Single-parent households have increased from 8 percent in 1960 to 19 percent in 1980. Legislative counsel has found that the lack of suitable housing, convenient and quality child care, and employment training programs contributes to the high rates of poverty, and often homelessness, among single-parent families. For example, 64 percent of California families headed by women depend on Aid to Families with Dependent Children to survive. Existing law makes housing assistance programs available through the Department of Housing and Community Development (HCD), the California Housing Finance Agency (CHFA), and the Department of Veterans' Affairs (DVA).

Proposal: Proposition 84 is the first of two measures focused on the homeless, with the second to be on the November 1990 ballot. Both measures were part of the legislative compromise involving the governor's June 1988 transportation bond. If passed by voters this November, Proposition 84 will authorize $300 million in general obligation bonds to fund a variety of housing programs, among them programs for rental-housing construction loans ($200 million); for renovating rental housing and residential hotels for low-income households ($25 million); for congregate housing where two to 10 households share common living areas and child-care and household responsibilities (a share of $15 million); for community housing developments that include job and economic development and other supportive services such as child care (balance of the previous $15 million); for emergency shelters and assistance ($25 million); for a migrant farm-labor center ($10 million); and for home-purchase assistance for first-time buyers ($25 million).

Argument For: Senate President pro Tempore David Roberti, the Vietnam Veterans of California, the Congress of California Seniors, the California Association of Realtors and the California Rural Legal Assistance Foundation are among proponents of Proposition 84. They say it will help communities and citizens' groups solve housing problems on a local level, while providing for child care, job training and other support services to help break the cycle of homelessness.

Argument Against: William McCord argues that public housing projects "quickly become the ugliest, worst maintained, and most blighted part of any neighborhood in which they are found."

McCord advocates a more restrictive policy concerning illegal immigrants to California to lessen the housing shortage. McCord also objects to this proposed addition to California's growing bonded indebtedness which he feels can only be paid off by a tax increase or future state budget cuts.

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85 CALIFORNIA LIBRARY CONSTRUCTION AND RENOVATION BOND ACT

Background: A spring 1987 survey conducted by the California State Librarian showed that nearly $500 million was needed to construct new buildings and additions, and to remodel and renovate existing facilities for access for the handicapped, energy conservation and general repair. Many communities do not have a public library even though they have large enough populations to require one. Local library authorities are unable to raise sufficient funds for constructing and rehabilitating library facilities without state help.

Proposal: Proposition 85, if passed by voters, will make available $75 million in general obligation bonds to finance a library construction and renovation program. Grant money could not be used for books and materials, administrative costs, or repayment of loans. One percent of the money generated by this bond measure would be authorized for use by the State Librarian to cover administrative costs. Sixty-five percent of construction costs will be provided by this fund, and 35 percent of construction costs will be raised by the applicant community. The 35 percent matching funds requirement may include donated land and 10 percent of funds donated for furnishings.

Argument For: State Senate Majority Leader Barry Keene, Senate Minority Leader Ken Maddy and Helen Lindsey, president of the state PTA, argue that, like many community services, libraries have been unable to keep pace with California's extraordinary population growth because money has been used for other, more pressing needs. As a result, many communities do not have a local library. Other communities have their libraries housed in old structures that need earthquake safety renovation and access for the handicapped. Proponents also argue that the 35 percent matching funds requirement of this bond issue will ensure that libraries will be a priority to a local community before the state will help finance it.

Argument Against: Opponents to this bond measure include Libertarian Party Chairman Ted Brown, Southern Vice Chairman Kim Goldsworthy and member Sarah Foster. They argue that libraries are the responsibility of cities and counties, not the state. They say that less than one-third of the population use library services (primarily middle and upper-middle class white collar individuals), yet those services are subsidized by the entire population, including the two-thirds which does not patronize libraries (mostly poor and lower-income individuals). They advocate annual membership fees or by-the-book rental fees for regular library services, forcing those who receive a benefit to pay for it. Opponents also object to this addition to California's growing bonded indebtedness.

86 COUNTY CORRECTIONAL FACILITIES CAPITAL EXPENDITURE AND YOUTH FACILITIES BOND ACT

Background: While the County Jail Capital Expenditure Bond Acts of 1981 and 1984 and the County Correctional Facility Capital Expenditure Bond Act of 1986 have reduced many of the critically overcrowded conditions found in California's county jails, those facilities are still over capacity, and the jail population is still increasing. Many facilities need repairs or are threatened with closure or court supervision if health and safety deficiencies are not corrected. Due to loss of local property tax revenues, counties are unable to finance these projects.

Proposal: Proposition 86 will make $500 million in general obligation bonds available for the construction, reconstruction, remodeling, replacement and repairs of county correctional facilities, county juvenile facilities, youth shelters (for homeless, neglected or abused minors) and youth centers (for recreational and rehabilitation programs). The measure includes a 25 percent matching-funds provision for the applicant county. In order to be eligible for funds, applicant counties must submit plans prohibiting detention of juveniles in the county jails (unless authorized by law), provide for adequate facilities for mentally ill and drunken inmates, and demonstrate that alternatives to jail incarceration have been utilized.

Argument For: Proponents include Democratic state Senators Robert Presley and Dan McCorquodale, Democratic Assemblywoman Maxine Waters, Los Angeles County Sheriff Sherman Block, County Supervisors Association of California President Barbara Shipnuck, local law-enforcement officers, county officials and community groups. Governor George Deukmejian also supports the measure. Proponents argue that overcrowding in the county jail system has resulted in lawsuits in 28 counties, not just uncomfortable accommodations for inmates. The 25 percent matching funds provision ensures local priority before state funds are distributed. Proponents praise this measure for its recognition of the need to provide guidance and support for youth through youth shelters and youth centers.

Argument against: Libertarians Ted Brown, Kim Goldsworthy and William Lake oppose Proposition 86 as another example of state interference with a county obligation. Opponents also claim that the jails are crowded with minor offenders who cannot afford bail. They urge a shift in priorities in law enforcement to eliminate prosecution of "victimless" crimes, such as prostitution, pornography, gambling, drug use, public drunkenness, and traffic violations to decrease the populations in the county jails.

87 PROPERTY TAXATION: REDEVELOPMENT PROJECTS

Background: Redevelopment agencies were created within various cities and counties to help do away with urban blight and to stimulate growth. These agencies are traditionally supported by property tax increases that occur as a result of higher property values within the redevelopment area. Under existing provisions of the California Constitution, whenever a local government hikes its property-tax rate to pay off its voter-approved general-obligation bonds, redevelopment agencies within that local jurisdiction receive a proportional share of the increased property taxes.

Proposal: Proposition 87, a legislative constitutional amend-

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ment, would revise the current allocation formula for tax levies to finance the principal and interest payments for voter-approved bond debts. If the measure is passed by voters, all such revenues will be allocated to the fund of the taxing agency which incurred the indebtedness, with no share going to any redevelopment agency located within the same jurisdiction. For instance, if an education bond were approved by the voters in a particular locality, all revenues raised by that bond would go directly to the school district of that locality; nothing would be apportioned to the area redevelopment agency as is currently the case.

Argument For: Democratic Assemblyman Jack O'Connell, the California Taxpayers Association, the County Supervisors Association of California, the California School Boards Association, and community redevelopment agencies argue that this measure is intended to allow local jurisdictions, especially schools and school districts, to receive the full amount of the increased revenue attributed to voter-approved tax overrides passed for a specific purpose. Currently, many cities, counties, and special districts are levying higher property taxes than necessary to repay local bonds to make up for the portion allocated to redevelopment agencies.

Argument Against: No official argument opposing this measure was filed.

88 DEPOSIT OF PUBLIC MONEYS

Background: The California Constitution authorizes the Legislature to deposit public funds only in federally insured banks, savings-and-loan associations or credit unions in this state.

Proposal: Proposition 88, a legislative constitutional amendment, would add federally insured industrial-loan companies located in this state to the list of approved institutions for deposit of public funds.

Argument For: Democratic Assemblyman Patrick Johnston, the California Association of Thrift and Loan Companies and Controller Gray Davis claim that Proposition 88 will encourage competition for deposits of public funds and allow the state, as well as local governments, the opportunity to receive the higher interest payments and greater benefits offered by industrial-loan companies, thus increasing government revenue without raising taxes. Public deposits in industrial loan companies are as safe as those in banks, proponents claim. Both are insured by the Federal Deposit Insurance Corporation (FDIC).

Argument Against: No official argument opposing this measure was filed.

89 THE GOVERNOR

Background: The California Constitution permits the governor to grant reprieves, pardons and commutations after sentencing, except in the case of an impeachment. According to court interpretations, however, the governor may not revoke a parole once it has been granted to a prisoner by the state Board of Prison Terms. Occasionally, public outcry has greeted the parole of certain prisoners convicted of particularly heinous crimes — notably Archie Fain in 1983 and Lawrence Singleton in 1986. Fain was convicted of the 1967 rape of three women and murder of a young male; Singleton was convicted of raping a young girl and cutting off her arms. The Board of Prison Terms uses a variety of criteria to determine a prisoner's eligibility for parole. In 1983 it granted Fain his freedom, but the decision was reversed after the public protested Fain's release. A state appellate court ruled that public outcry alone is insufficient to rescind parole. Governor George Deukmejian then tried to rescind Fain's parole, citing authority under penal code 3062 which permits the governor to revoke any individual's parole after that individual has been released. A state court of appeal disagreed with the governor.

Proposal: Proposition 89, a legislative constitutional amendment, would require that no parole decisions concerning convicted murderers sentenced to an indeterminate term become effective for 30 days, during which time the governor may review the case and affirm, modify or reverse the parole authority's decision. He then would report his actions to the Legislature. To date, no other state constitution allows a governor this kind of authority.

Argument For: Democratic state Senator Daniel Boatwright and Los Angeles County District Attorney Ira Reiner are among the proponents of Proposition 89. They argue that this measure will allow the public to be protected against the early release of murderers from state prisons by having as much scrutiny at as many levels of examination as possible before a convicted murderer is paroled. They back their argument with statistics showing that first-degree murderers paroled in 1987 averaged less than 14 years in prison, and that 365 murderers paroled between 1973 and 1986 were eventually sent back to prison because of parole violations or the commission of another felony. Proponents believe that the procedural safeguards currently in the system designed to protect defendants and allow more lenient treatment should be counterbalanced by the power to protect the public from the early release of killers.

Argument Against: John Irwin and Michael Snedeker, president and vice president of the Prisoners Rights Union, argue that Proposition 89 gives the governor the power to veto the parole board if the parole board makes a politically unpopular decision. They argue that the parole system already has a rigid scrutinization process. Members of the parole board are appointed by the governor. If they are not competent to make these decisions, opponents wonder how the governor who appointed them can be expected to do any better. Finally, opponents object to politics in the parole process. They fear that unpopular persons will be denied parole dates because governors will trade the interests of justice for votes.

90 PROPERTY TAXATION: REAPPRAISAL EXCEPTION

Background: After the passage of Proposition 13 in 1978, property tax rates were rolled back to 1975-76 levels (plus mini-

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mum annual increases for inflation) or to the property's market value when purchased, improved or transferred to another owner. In 1986 voters approved Proposition 60, which amended Proposition 13 to allow persons over age 55 who sold their homes and bought or built another home of equal or lesser value within two years *and in the same county*, to transfer the assessed value of the old residence to the new residence. In theory, the amendment prevented older residents from accruing huge property tax increases after selling older homes and moving into smaller homes or condominiums.

Proposal: Proposition 90, an amendment to Proposition 60, would authorize individual county boards of supervisors, after consultation with affected local agencies, to allow or disallow people over 55 to transfer the assessed value of their homes *from one county to another* when they build or purchase another home of equal or lesser value within two years of the sale of the original property. "A person over 55" includes a married couple, one of whom is over 55.

Argument For: Democratic Assemblyman David Elder, Democratic state Senator Cecil Green and Josephine Barbano of the American Association of Retired Persons claim that this measure will provide important tax relief and housing assistance for senior citizens, enabling them to move into smaller replacement homes when they retire and freeing up larger homes needed by younger families. They argue that lost tax revenues to the county receiving the property assessment transfer are counterbalanced by certain advantages that seniors bring to a community. For example, since seniors rarely have school-age children, their arrival does not contribute to further school overcrowding.

Argument Against: Attorney Gary Wesley of San Jose opposes Proposition 90 because it "tinkers" with Proposition 13 without correcting the basic flaw, which he feels is the gradual but massive shift of the overall property tax burden from owners of commercial and industrial property (which is often leased but seldom sold) to owners and renters of residential property, created by the automatic reassessment provision of Proposition 13. He argues that the imposition of higher property taxes on persons merely moving to more suitable quarters is unfair at any age, not just for senior citizens.

91 COURTS OF RECORD

Background: California's judicial power is vested in the California Supreme Court, courts of appeal, superior, municipal and justice courts. All are considered courts of record except justice courts. A "court of record" is one whose orders and judgments are fully respected and enforced outside the state and within the federal court system. Justice courts are prevented from dealing in cases involving federal search-and-arrest warrants and extraditions from other states because they are not designated courts of record.

Many small, less-populated counties are served by justice courts rather than municipal courts. A municipal court is not mandated until the population exceeds 40,000. Currently, 15 counties have no municipal courts at all. There are 76 justice court judges in California. Until 1977 there were no requirements for a justice court judge. Now, the only requirement is to be a member of the State Bar of California. A justice court judge is not included in the law that prohibits judges of courts of record from practicing law.

Proposal: Proposition 91, a legislative constitutional amendment, would include justice courts under the designation of "courts of record." Justice court judges also would be prohibited from practicing law. This measure would require that a person be a member of the State Bar or a judge of a court of record for five years in order to be eligible to be a judge of a justice court (the same requirement for a municipal court judge).

Argument For: Republican Assemblyman Larry Stirling, the California Judges Association and the State Bar of California support this measure. They claim that the lack of a designation as a court of record seriously hampers the disposition of some justice court cases, resulting in unequal treatment within the court system for all California residents. They also argue that Proposition 91 will ensure a basic level of competency by requiring that justice court judges have the same minimum experience and qualifications as municipal court judges, as well as eliminating the impropriety of judges practicing law.

Argument Against: Attorney Gary Wesley of San Jose opposes this measure as a "well-intentioned but misguided" attempt to insure that an attorney will make a good judge by imposing requirements of a minimum period of experience. He argues that the governor and the voters of California should be free to make an assessment of each candidate's qualifications without these restrictions.

92 COMMISSION ON JUDICIAL PERFORMANCE

Background: The Commission on Judicial Performance is authorized by the state Constitution to be the official watchdog of California's judicial community. The commission consists of nine members: two judges of courts of appeal, two judges of superior courts, and one judge of a municipal court — each appointed by the state Supreme Court; two members of the State Bar of California who have practiced law in this state for 10 years — appointed by the governor; and two citizens who are not judges, retired judges, or members of the State Bar of California. All terms are for four years. Presently, all commission proceedings are conducted in private.

Proposal: Proposition 92, a legislative constitutional amendment, is designed to make the State Commission on Judicial Performance and the judges they discipline more accountable to the public. Under this measure, the commission may open a hearing to the public if the charges against a judge involve moral turpitude, dishonesty or corruption. If, after a preliminary investigation, formal proceedings are instituted against a judge for misconduct, the judge may require that formal hearings be public, although the commission may retain confidentiality of the proceedings if it finds "good cause." Proposition 92 would allow the commission to issue press releases, statements, and explanations to the public and to issue a public reproof, with the consent of the judge charged. This would include an announcement of any and all formal charges brought against the judge.

The measure would also limit appointments to the commission to two four-year terms and allow the staggering of commissioners' terms by requiring that the next two appointments be for two years. The remaining terms are already staggered. Members of the commission would also be allowed to serve until a new appointment was made, ensuring a full nine-member commission at all times.

Argument For: Proponents include state Senators Ed

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Davis, a Republican, and Bill Lockyer, a Democrat, GOP Assemblyman Tom McClintock, the Commission on Judicial Performance, the Judicial Council and the California Judges Association. Proponents feel that judges should not be subject to public suspicion based on a mere complaint, but once formal charges are filed, the public should know. This is the procedure adopted by 24 other states and the preferred method for disciplining other professionals such as doctors and lawyers. Proponents argue that every public official, no matter how high the office, must ultimately be accountable to the public. The public-reproval provision in Proposition 92 is a significant, intermediate sanction between public censure and private admonishment. Proponents believe that use of this sanction will expedite disciplinary measures, since review by the California Supreme Court is not necessary.

Argument Against: Steve Wilson, the leading opponent, claims that the existing system of choosing judges and the tendency of voters to retain incumbent judges has augmented the power associated with judgeships. Therefore, an active, independent Commission on Judicial Performance is essential as a check on the potential misuse of that power. He feels that the commission would be more representative of the public if there were a one-term limit, rather than the two-term limit proposed by this measure. He also feels "staggering of terms" is undesirable, because periodically replacing the entire commission would make it possible to completely revise the operation if necessary.

93 PROPERTY TAXATION

Background: Existing provisions in the California Constitution exempt $1000 in property from property taxation for active or honorably discharged members of the armed services, or for an unmarried spouse or parent of a deceased member of the armed forces. There are residency requirements included in this provision similar to residency requirements recently struck down as unconstitutional in cases in New Mexico and New York. Until someone challenges the residency requirement in California and an appellate court strikes them down, or until the California Constitution is amended, assessors must continue to enforce the residency requirements in granting the property tax exemption to veterans.

Proposal: Proposition 93, a legislative constitutional amendment, would strike all residency requirements in connection with the veterans' property tax exemption, with the exception of the requirement that the claimant be a resident of the state of California on the then-current lien date.

Argument For: Democratic state Senator Wadie Deddeh, State Board of Equalization Chairman Ernest Dronenburg Jr. and the state commander of the American Legion, Andrew Steffanic, claim that Proposition 93 would bring the California Constitution, as it relates to veterans' property tax exemptions, in line with two recent federal Supreme Court rulings which struck down as unconstitutional similar residency requirements in New Mexico and New York. Proposition 93 will allow California assessors to grant exemptions to veterans who are entitled to them, but do not meet the existing residency requirement which, if challenged, might also be struck down as unconstitutional.

Argument Against: No official argument opposing this measure was filed.

94 JUDGES

Background: The California Constitution prohibits judges of courts of record from practicing law or from seeking public office or public employment (including teaching at public institutions) during their terms of office. However, judges are allowed to teach at private institutions such as Stanford University and at McGeorge School of Law.

Proposal: Proposition 94, the last legislative constitutional amendment on the November ballot, will permit a judge of a court of record to teach part-time in a public institution, provided the work does not interfere with regular judicial duties and is undertaken outside of normal working hours. The measure would also prohibit a judge from accumulating retirement credit from a teaching position beyond that which would accrue from the judicial position. Also, judges from courts of record would be required to take a leave of absence without pay in order to run for election to another public office.

Argument For: Democratic Assemblyman Peter Chacon, the California Judges Association and the State Bar of California argue that Proposition 94 allows students at public universities and colleges to benefit from the knowledge and experience of judges as teachers and lecturers. Since judges will still be required to place primary emphasis on their judicial position as regulated by the Canons of Judicial Conduct, proponents argue that the potential for abuse will be minimal.

Argument Against: San Jose attorney Gary Wesley agrees that judges can bring precious insight to the classroom; however, unless and until the number of judges across the state substantially increases, or until their caseload dramatically decreases, judges will not find time to teach and to effectively carry out their judicial duties. Since a "no" vote on this measure would only prevent judges from teaching at public institutions, he advocates a measure on the next ballot that would prohibit judges from teaching at private institutions as well.

95 HOUSING AND NUTRITIONAL ASSISTANCE

Background: Caring for the homeless has become a "cause" throughout the country during recent years, with celebrities such as actor Martin Sheen sleeping on grates in Washington, D.C., to dramatize the plight of the homeless and poor. Currently, state and local governments and various private charities, food giveaway programs and shelters tend to the needs of the homeless, many of whom are also mentally ill.

Although there is no accurate count of the number of people living without adequate shelter and food, few experts dispute the fact that the number has risen dramatically over the past decade, especially among children, illegal immigrants, Vietnam veterans and the elderly. In addition, the federal government has cut back funding for some programs designed to serve those at

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the bottom of the economic ladder. In California, cities and counties are chronically short of cash due to lower property tax revenues caused by the 1978 Proposition 13. In addition, those governments face potential spending limits imposed by the 1979 Proposition 4 — the Gann limit — and are afraid to extend funding. Thus, many counties have been forced to cut back services, thus their ability to fund shelters and food programs has suffered.

Local governments are also charged with enforcing health and safety laws including building standards and codes regulating food preparation in restaurants, supermarkets and other places where food is handled. Fines of up to $1000 can be levied against violators, with cities and counties able to keep some of the revenue. The laws are not enforced uniformly in all jurisdictions.

Proposal: Proposition 95 would create the Corporation for California within the Business, Transportation and Housing Agency to provide funding to county, state, and qualified private, nonprofit agencies that provide services for hungry and homeless persons. The corporation would be led by a 15-member board of directors consisting of the state treasurer, four members appointed by the governor, and five each appointed by the Senate Rules Committee and the Speaker of the Assembly.

Financing for the corporation would come from four sources. First, it would get the bulk of its revenue from fines collected for violations of certain health, safety and building codes. Restaurants and other food handlers and preparers, and landlords would be issued citations much like traffic tickets. Second, the corporation could issue bonds secured by the revenue from these fines. Third, the measure allows for periodic appropriations to the corporation from the Legislature. Finally, the corporation would be authorized to issue a California Savings Bond, not unlike a federal savings bond, in small denominations ($100 or less) to encourage small investors to participate in helping the hungry and homeless. Money to repay these bonds would come from the other three sources.

Money raised by the corporation would be placed in two funds: one for permanent low-income housing and another for emergency housing and nutrition. The permanent housing fund would receive all money from the sale of bonds plus 10 percent of the money raised from fines. It would be used to establish a mortgage guarantee program for qualified low-income buyers and fund low-income housing projects.

The second fund, for emergency housing and nutrition, would receive 80 percent of the money raised from fines and be used for a variety of purposes, including grants to counties to provide food and shelter to people who need immediate help, and for administration and research. The money could also be used to pay for health screening, treatment for alcohol and drug dependency job counseling and referral programs, child care and education services, youth crisis-intervention, emergency rent assistance, utility hook-up programs, and psychological services for persons using emergency housing or nutritional services. According to the independent Legislative Analyst, Proposition 95 would result in an unknown increase in the fines collected for health and safety code violations. A minimum of $50-$90 million would have to be raised before the measure takes effect. There is no provision in the initiative for what happens if the $50-million target is not met.

Argument For: Proponents for Proposition 95 include State Board of Equalization member Conway H. Collis, actress Valerie Harper, Los Angeles Mayor Tom Bradley and the Reverend Joseph Carroll, president of the St. Vincent de Paul/Joan Kroc Center in San Diego — the homeless assistance program after which this initiative is modeled. Proponents say that the comprehensive nature of the measure — including job counseling, emergency rent assistance, drug and alcohol treatment, health screening, child care and emergency food and shelter — helps people to break the hunger-and-homelessness cycle. Since funding will come from fines levied against such health and safety code violators as slumlords and unsanitary food establishments, and from bonds, no tax dollars will be spent, proponents argue. Even interest on the bonds will be paid from the citation system set up by the initiative. Money from the fines would be channelled to local governments and to nonprofit charitable organizations to provide direct aid to the hungry and homeless, proponents say.

Argument Against: Opponents include Governor George Deukmejian, Republican Assemblyman Trice Harvey, the California Environmental Health Association (which conducts health inspections), and the California Grocers Association and the California Restaurant Association. They argue that Proposition 95 will create yet another government bureaucracy which would unfairly penalize a few to pay society's responsibilities. Among those penalized would be local grocers, restaurants, innkeepers, apartment owners and homeowners who violate health and safety codes. These small businessmen and entrepreneurs would then be forced to pass the increased costs they incur on to consumers and renters. They argue that new fines that would be imposed to fund the proposition would be oppressive and unfair, and would be levied for even the most minor violations, without warnings or time to comply because each day's violation is considered a separate and distinct offense. They also argue that a majority of homeless persons are mentally ill, alcoholics or drug addicts and that Proposition 95 does little to help them and little to promote job training and thus strike at the roots of poverty.

96 COMMUNICABLE DISEASE TESTS

Background: There are currently no laws requiring an AIDS test for anyone, although regulations are pending that would require an AIDS test for prison inmates, and for persons arrested for certain crimes, if they have committed acts that might expose someone to the AIDS antibodies. Tests for antibodies to the HIV virus which causes AIDS are conducted on a consentual basis only and results are confidential. The AIDS Confidentiality Act of 1985 makes it illegal to divulge AIDS test results to anyone without the written consent of the person being tested, with the exception of the person's spouse. Bills are pending on the governor's desk that would extend that exception to a person's sex partners or someone who shares needles with the tested person, and to health-care workers providing care to an AIDS patient.

Proposal: Proposition 96, an initiative statute, would require that persons charged with certain sex offenses or with assaults upon peace officers, firefighters, or emergency medical personnel be tested for AIDS, AIDS-related conditions and other communicable diseases upon finding probable cause that bodily fluids (blood, semen, saliva, etc.) were transferred. The definition of "exposure" is somewhat broader than in the measures passed by the Legislature. Disclosure of information obtained from these tests to unauthorized persons would be considered a misdemeanor.

Argument For: Proponents include Los Angeles County Sheriff Sherman Block, Los Angeles County Commission on AIDS member Dr. Monroe Richman, and Republican state Senator Ed Davis, a former Los Angeles police chief. They argue that

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Proposition 96 is a victims' rights measure as well as a public-health measure. Victims of violent crime, whether private citizens or public safety workers, have a right to know if they have been exposed to possibly fatal diseases and to prevent its transfer to others.

Argument Against: Proposition 96 is opposed by, among others, San Francisco County Sheriff Michael Hennessey, Dr. Robert Melton, president of the Health Officers' Association of California, and Dr. Marcus Conant, chairman of the California Department of Health Services Task Force on AIDS. They argue that Proposition 96 fosters "the irrational fear that AIDS can be transmitted through certain crimes or through the normal course of law enforcement." According to current medical data, AIDS cannot be transmitted in many sex crimes, so many victims will be needlessly alarmed. They argue that knowledge of positive test results shared with the number of people made privy to such information under the provisions of this measure would make medical confidentiality impossible, thus increasing chances that people with the virus would be mistreated. Opponents say that medical personnel currently are trained to treat every patient as if he or she has the HIV virus, taking all precautions against infection. An increased reliance on test results by medical personnel could lull them into a false sense of security, possibly resulting in more exposures to the HIV virus.

97 STATE OCCUPATIONAL SAFETY AND HEALTH PLAN

Background: Federal law permits states to implement their own occupational safety and health programs, provided those plans are at least as strict as the federal plan. California has had such a plan (Cal-OSHA) since 1973, with more stringent standards regulating potentially hazardous workplaces in industries such as transportation, electronics, chemicals, mining, utilities, construction and manufacturing. However, Governor George Deukmejian vetoed money for private-sector enforcement of Cal-OSHA in the 1987-88 state budget, arguing that turning enforcement over to the federal OSHA program would save California taxpayers up to $8 million annually. Cal-OSHA still looks after safety and health programs for state, county, city, and local district employees.

Not surprisingly, the governor's action angered organized labor, which has never been very supportive of the governor. But it also upset some of Deukmejian's traditional allies in the business world who realized that the program helped lower their insurance premiums. The governor's line-item veto power was challenged in court, and the case is now pending before the state Supreme Court (*Ixxta v. Rinaldi*). The Cal-OSHA plan is still approved by the federal government and eligible for federal matching funds to help administer it on a statewide basis.

This ballot book was written by Kathy Luddy and edited by the staff of California Journal.

Statistics are inconclusive concerning the rate and number of injuries and illnesses since federal OSHA took over in 1987, according to a recent court decision concerning the disparate statistical claims of proponents and opponents of this measure.

Proposal: Proposition 97, an initiative statute, would reinstate the Cal-OSHA plan before federal approval is withdrawn or, if withdrawn, would require the governor to resubmit a new plan immediately to enable continued access to federal funds. Almost one half of the operating costs of Cal-OSHA will come from federal grants. It will cost California approximately $8.4 million to reinstate Cal-OSHA, according to the legislative analyst.

Argument For: Proponents include John F. Henning of the California Labor Federation — AFL-CIO, Sierra Club California, California Medical Association, The American Lung Association of California, League of Women Voters of California, U.S. Senators Alan Cranston and Pete Wilson, and Lieutenant Governor Leo McCarthy. Advocates argue that the federal OSHA does not regulate exposure to 170 toxic substances that were controlled by Cal-OSHA, while federal law permits greater exposure to 95 different chemicals than does Cal-OSHA.

According to proponents, during the first nine months after federal OSHA took over, total workplace inspections dropped by 65 percent compared to Cal-OSHA inspections in the same nine-month period one year earlier. Cal-OSHA was authorized to immediately shut down equipment or job sites which posed imminent danger, whereas federal OSHA requires a lengthy federal court procedure to halt an imminent threat.

Argument Against: Governor George Deukmejian, State Division of Occupational Safety and Health Chief Robert Stranberg and former California Chamber of Commerce President John Hay oppose Proposition 97, arguing that Cal-OSHA wastes California taxpayers' money by duplicating a federally funded service. They point out that 27 other states use the worker safety program operated by the federal government, including New York, New Jersey and Illinois. They also claim that since Cal-OSHA was replaced by the federal program, the rate of occupational injuries and illnesses has actually declined.

98 SCHOOL FUNDING FOR INSTRUCTIONAL IMPROVEMENT AND ACCOUNTABILITY

Background: California schools are the fastest-growing in the nation, with an additional 130,000 students enrolled each year. California now has more students per classroom than any state in the nation, while spending per student lags behind the national average. California ranks 48th among the states in the percentage of personal income spent on education, according to National Education Association statistics, and 51st out of 51 jurisdictions (including District of Columbia) according to U. S. Department of Education statistics. In the past 10 years the percentage of personal income spent on education has declined from 4.6 percent to 3.3 percent, which translates to a loss of $1000 per student, per year.

Since the 1978 passage of Proposition 13, financing of schools has shifted from local to state control. Currently, approximately 80 percent of the funding for K-14 education (K-12 and community colleges) comes from state budget appropriations. In the 1987-88 fiscal year the state experienced a revenue surplus that school officials argued should have been used to support the state's school system. However, under Proposition 4

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of 1979, the Gann spending limit, more than $1 billion was refunded to taxpayers instead. In the current budget year, the state's revenue collections remained under the Gann limit.

Proposal: Proposition 98, an initiative constitutional amendment and statute, amends the state Constitution to establish a minimum level of financing for school and community college districts and diverts to those schools a portion of any state revenue in excess of the current constitutional limit (Gann limit) on state spending. This would reduce or eliminate any future tax rebate. Once a surplus fund transfer is made according to this proposal, it becomes part of the base funding amount for the following year, even though the surplus may be the result of a one-time revenue gain. This will have the effect of permanently raising the state's Gann spending limit.

Under the terms of Proposition 98, the money could only be used for "instructional improvement and accountability," which includes the hiring of additional teachers to lower pupil-teacher ratios, the hiring of aides and other staff, purchasing instructional supplies and equipment, student support services and counseling, and compensation for teachers. School and community college districts would continue to receive these excess state funds until it is determined that the average annual expenditure per student in California equals or exceeds that in the 10 states with the highest average annual expenditure per student. Elementary and high schools will continue to receive these excess state funds until class sizes equal or are less than the average class size of the 10 states with the smallest class sizes.

In addition, school districts will be required to compile a "school accountability" report card for review by the public. This report will include, among other things: student progress in meeting reading, writing, arithmetic and other academic goals, progress toward reducing drop-out rates, estimated spending per student and types of services provided, progress toward reducing class sizes and teaching loads, teacher and staff training, any assignment of teachers outside their subject areas of competence, availability of qualified substitute teachers, quality and currency of textbooks and other instructional materials, availability of counseling and other student support services, adequacy of school facilities, adequacy of teacher evaluations, and classroom discipline.

In case of fiscal shortage in the state budget, the provisions of this measure for both minimum level funding and additional revenues in excess of the state budget could be suspended for one year by an urgency statute requiring a two-thirds vote of the Legislature.

Argument For: The California Teacher's Association, the California State PTA, the Association of California School Administrators and Superintendent of Public Instruction Bill Honig argue that a 1910 provision to the California Constitution requires the state to give the public-school system "first call" on state funds. In 1920 the Constitution was amended to require a specific dollar amount to be spent on each child, adjusted for inflation. Proponents claim that State Lottery revenues earmarked for education were originally supposed to supplement state funding of the public school system, but year after year, Lottery funds are supplanting state funding. Education officials estimate Lottery funds at 3 percent of the K-12 budget. The result has been a deterioration in the quality of the state's schools. Backers of the measure say this initiative will take school financing out of politics by ensuring a minimum funding level for schools which the Legislature and governor must honor except in fiscal emergencies.

Argument Against: Opponents to this measure include Governor George Deukmejian, his appointee as chairman of the California Commission on Educational Quality, George Christopher, and the California Taxpayers' Association. They say education is already California's top budget priority and that more than 50 percent of the state budget is spent on schools (including the University of California and California State University). They note that since 1982 schools have received a 78 percent increase in funding, while student enrollment has risen only 14 percent. The say that while Proposition 98 makes adjustments for increases in enrollment and for changes in the cost of living, it does not provide for areas where there may be a decline in enrollment, suggesting that funding allocations would be locked in at prior higher levels of enrollment.

The School Accountability Report Card could be implemented under current law, opponents argue, but should be overseen by the Legislature which is more accountable to the public than an appointed state board such as the State Board of Education. Opponents argue that the loss of a strong spending limit (Proposition 98 modifies the Gann government spending limit, passed overwhelmingly by voters as Proposition 4 in 1979) would require a tax increase within a few years as well as an increase in the level of school bureaucracy.

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99 CIGARETTE AND TOBACCO TAX BENEFIT FUND

Background: The price of a pack of cigarettes includes a 10-cent state tax. This tax has not been raised since 1967 and is lower than the cigarette tax in any other state with the exception of four tobacco-growing states: Kentucky, North Carolina, Virginia and South Carolina. California's current cigarette taxes go into the general fund and are allocated along with the rest of the general fund — as the Legislature and governor see fit.

Proposal: Proposition 99, an initiative constitutional amendment and statute, would increase the current cigarette tax on tobacco products by 1.25 cents per cigarette, increasing the tax paid per pack from 10 cents to 35 cents. The tax increase on other tobacco products will go up at the same rate. The revenues from these increased taxes will be specifically allocated as follows: 20 percent for a health-education account to educate children and the community concerning health hazards attributed to the use of cigarettes and other tobacco products; 35 percent for hospital services for the poor; 10 percent for physician services for the poor; 5 percent for medical research; and 5 percent for environmental conservation, for restoration programs aimed at environmental damage caused by fires and for fire prevention.

Argument For: Proponents include Dr. Neil Andrews, president of the American Cancer Society-California, retired U.S. Surgeon General Jesse Steinfeld, the California Medical Association, the Wilderness Society, the American Lung Association of California, the American Heart Association-California, Blue Cross of California, and a host of groups representing physicians, nurses, dentists, hospitals, firefighters, educators, environmentalists and others. They point out that in May 1988 U.S. Surgeon General Dr. C. Everett Koop confirmed that nicotine, as found in cigarettes, is as addictive as cocaine and heroin. They say that the anti-smoking educational programs funded by this tax are necessary for the health of Californians. In addition, they claim that the portion allocated to medical research would raise an additional $30 million to help find a cure and treatment for cancer, emphysema, lung and heart diseases — all related to tobacco use.

According to proponents, many poor people now denied medical care because they cannot afford it will benefit from those portions of the tax increase meant to fund medical care for

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the poor. Proponents feel that non-smoking Californians should not have to pay higher taxes and insurance premiums because of fires and disease caused by smoking. This tax increase would force smokers to pay their fair share.

Argument Against: Opponents include the tobacco industry, operating under the name "Californians Against Unfair Tax Increases," tax-crusader Paul Gann, Democratic Assemblyman Richard Floyd, and Vincent Calderon of the Latino Peace Officers Association. They argue that this measure would encourage crime in California because large tax increases on tobacco products in other states have triggered bootlegging and other criminal behavior by street gangs and organized crime. They also argue that, as an excise tax (a tax on what is bought rather than what is earned), this tax will be a greater burden on lower-income Californians. Opponents claim that this measure would benefit the medical industry (50 percent of the funds raised by this tax increase would provide payment for hospital and physician's services for those unable to pay and for medical research) by taxing the behavior of one segment of the population: smokers.

102 ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS) REPORTING

Background: Currently, active AIDS cases are required to be reported to the Department of Health, but positive tests for antibodies to the HIV virus which causes AIDS are not only "not required" to be reported, it is illegal to report them (violates the 1985 AIDS Confidentiality Act authored by former Democratic Assemblyman Art Agnos, now the mayor of San Francisco). Other diseases required to be reported to the Department of Health include botulism, salmonella and other food poisonings, sexually transmitted diseases such as gonorrhea and syphilis, viral encephalitis, viral meningitis, rabies, and diseases which children are required by law to be immunized against such as diptheria, tetanus, whooping cough, polio, mumps and measles.

Proposal: Proposition 102, an initiative statute, would require doctors, blood banks and others to report to local health officials all persons who test positive for HIV antibodies or are reasonably believed to have been infected by the AIDS virus. Health officials would then be required to track down and notify anyone who was a sexual partner of a person who tested positive or who was likely to have been exposed to the AIDS virus. The measure also sets fines and penalties for unauthorized disclosure of AIDS test results.

Argument For: Proponents for this initiative include Congressman William Dannemayer and Dr. Lawrence McNamee, president of California Physicians for a Logical AIDS Response. They argue that Proposition 102 will help stop the spread of AIDS by requiring the confidential reporting to public-health authorities of positive blood test results for the AIDS virus. Exposure to the AIDS virus would be put into the same category as other communicable diseases now required to be reported to the Department of Health. This would allow public health authorities to contact those who have been in sexual contact or sharing drug needles with persons testing positive for the AIDS virus and to confidentially counsel them. Proponents argue that the overwhelming majority of those infected by the AIDS virus are unaware of their condition or the potential threat they may pose to others. With this measure, proponents claim, more people will be made aware of their condition and will be able to take precautions against spreading the virus.

Argument Against: Opponents to this measure include California Medical Association President Dr. Laurens White, California Nurses Association President Marilyn Rodgers, and Los Angeles Mayor Tom Bradley. They argue that Proposition 102 is as extreme and irrational as the Lyndon LaRouche-sponsored AIDS Quarantine Initiatives — Propositions 64 and 69, which voters defeated in November 1986 and June 1988, respectively. They argue that this measure would cost California taxpayers hundreds of millions of dollars to enforce, money that could be better spent for prevention and treatment of AIDS. Opponents also claim that this measure would discourage people from being tested for AIDS as a result of fear of losing their jobs, homes or health care coverage.

105 DISCLOSURE TO CONSUMERS VOTERS, INVESTORS

Background: Over the past few years, consumer groups and environmentalists have launched various campaigns to ensure that the public is informed in detail about the products it buys, the investments it makes, the medical care it receives and the laws it votes for at the ballot box. The right to know, it is said, goes beyond normal laws governing truth in advertising. For example, ballot initiatives are often sponsored and financed by special-interest groups which funnel their support through committees with names that mask their true identity.

Proposal: Proposition 105 is an initiative statute in five parts and involves the public's right to know.

Part one involves toxic substances. Businesses that advertise household toxic products, with an advertising budget for those products of $50,000 or more, would be required to warn the public that the product should not be put in the trash or flushed down the drain. Products that contain pesticides would not be subject to the warnings. The Department of Health Services would be required to set up a toll-free phone line to provide information on safe disposal.

Part two seeks to curb the sale of fraudulent health insurance coverage to senior citizens, especially "medigap" insurance — those policies designed to supplement Medicare coverage. Proposition 105 requires organizations that offer these policies to clearly indicate that they are in the business of selling insurance. The policy must also indicate if its coverage duplicates Medicare coverage. This section further requires the state's toll-free phone number for information concerning Medicare supplements be listed on insurance policies.

Part three requires nursing homes to inform consumers that more information on the homes is available from the state's Long-Term Care Ombudsman. It also requires nursing homes to state on their admissions contracts and in their advertisements that a record of nursing-home violations is available from the Department of Health Services.

Part four requires the true sources of campaign funds for initiatives to be made public by specifically defining terms such as "committee," "industry," "a major funding source," "contributions," and others.

Part five requires all corporations selling stocks in California to disclose on their prospectus whether or not they conduct business in South Africa or with any person or group in South Africa.

Argument For: Proponents include Consumers United for

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Reform (CURE) and its president, Jim Rogers. CURE is a coalition of senior citizens, consumers and environmentalists. Also supporting the measure are Bill Shireman, executive director of Californians Against Waste, and Lois McKnight, Nursing Home Ombudsman program director for Contra Costa County. They argue that Proposition 105 does not interfere with the way companies do business, except to prevent them from lying to the public. With truth in advertising, consumers will be able to make their decisions based on facts rather than on fraud and deceit. They emphasize that no expensive bureaucracy will be created. Proposition 105 targets "bad apple" businesses while protecting honest businesses from the unfair competition of those who would lie to sell their products, proponents say.

Proponents claim that Proposition 105 protects water supplies and landfills from pollution caused by unsafe disposal of toxic household products, protects seniors from unsafe nursing homes, and stops the supplemental "medigap" insurance scams that steal an estimated $300,000,000 a year from seniors.

Argument Against: Jim Suennen of the Household Products Disposal Council argues that the hazardous-waste disposal provision of Proposition 105 addresses an issue already being handled by the California Waste Management Board, which has appointed an advisory committee to evaluate the issue and make recommendations to the State of California. He claims that most consumers only buy products they need and will use completely and that disposal of household products has virtually no adverse impact on the environment. Suennen says that increased costs associated with providing warnings will be passed on to consumers in the form of higher product costs. He addresses no other provisions of the proposition.

THE INSURANCE INITIATIVES

Background: California has the third highest auto insurance rates in the nation, after New Jersey and Alaska. Currently, insurance rates are largely unregulated by the state. A *California Poll* taken in May 1988 found that California voters are angry about their insurance. According to poll findings, 77 percent of voters think their auto-insurance rates are "much too high," with an additional 17 percent claiming that their rates were "somewhat too high." Only 4 percent felt their rates were fair. There is substantial disagreement about the causes of the state's high insurance rates. Although most agree that some of the high rate is due to the rising costs of automobile repairs, medical care, and to the sheer number of cars on the road, agreement beyond those points is hard to find.

Insurance companies argue that too much money must be spent on the legal costs of settling insurance claims. Too many cases end up in court and lawyers take too large a share of the awards, the companies argue. However, lawyers, in some cases joined by consumer groups, say that insurance companies are responsible for the high rates. They are unregulated in the state, while anti-trust-law exemptions allow them to share information that results in reduced competition and higher rates. Furthermore, insurance firms are too profitable or have raised rates to compensate for previous bad investments and low rates, these groups argue.

The public tends to split the blame. Forty-five percent of the voters blame insurance companies, citing industry greediness as the number-one cause of high rates. Lawyers earned 36 percent of the "blame vote," listing the large number of lawsuits, excessive settlements, fraudulent claims, and high attorneys' fees as reasons why. Thirty-eight percent of the voters blame California drivers as the culprits behind high rates because of the high number that are uninsured, underinsured or unsafe, and because of the high number of fraudulent claims. (Percentages exceed 100 because respondents were allowed to give as many reasons as they wished.)

Meanwhile, rates continue to climb. For instance, the state's six largest insurance companies, representing 55 to 60 percent of the auto-insurance business in California, have all raised their rates in 1988, some by as much as 15.6 percent.

The state's legislators, who receive substantial campaign contributions from both the lawyers and the insurance industry, have been deadlocked on the subject and unable to reach a solution. The public's antagonism, combined with the tremendous amount of money at stake (15 percent of all insurance premiums are sold in California, and automobile insurance premiums total about $12 billion a year) has lead several groups to go directly to voters in an attempt to win an advantage.

There are now five ballot measures that deal with the insurance crisis. One of the measures, Proposition 104, is sponsored by the insurance industry and would substitute a "no-fault" system of paying for injuries caused by most accidents. Instead of determining which party was at fault in the accident, each driver would collect from his or her own insurance company. Another insurance industry-backed measure, Proposition 106, would attack lawyers directly by limiting the amount of money attorneys could collect in "contingency fee" cases. These are cases where lawyers do not charge their clients directly but instead agree to accept a portion of any award or settlement.

The state's trial lawyers have countered with Proposition 100, which would require a 20 percent reduction in automobile-insurance rates for "good drivers," require review of future rate increases, block restrictions on lawsuits, and ban the adoption of a no-fault system. The lawyers are supported on this measure by some consumer groups.

However, other consumer groups aligned with Ralph Nader have also qualified an initiative, Proposition 103. It, too, requires a lower rate for good drivers, as well as a rate roll-back and a freeze and approval of future rate increases by an elected insurance commissioner.

The fifth measure is being pushed by Democratic Assemblyman Richard Polanco and maverick insurance-company owner Harry Miller. It would require a reduction in the bodily injury liability portion of insurance premiums and, in exchange, would limit the amount someone could recover for non-economic losses ("pain and suffering") in case of an accident.

The initiatives have spawned the most expensive election campaigns in California history. The insurance industry has announced that it will spend some $43 million in favor of its measures and against the others — enough to finance a campaign for president of the United States. All together, some $60 million will probably be spent on the five measures.

100 INSURANCE RATES AND REGULATION

Proposal: Proposition 100, an initiative statute drafted by the Insurance Consumers Action Network and financed almost

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entirely by the California Trial Lawyers Association, requires a minimum 20 percent reduction in the rates for good drivers based on the January 1, 1988, rate. It further requires companies to insure good drivers in any county where the company sells insurance. Under the terms of this initiative, a "good driver" means any person who has held a valid driver's license for at least three years preceding application for insurance; has not had more than one traffic-violation point-count in the preceding three years as determined by the Department of Motor Vehicles; has not had any accident in which he or she was principally at fault in the preceding three years; has not been convicted of fraud or attempt to defraud involving an auto-insurance policy, driving under the influence of alcohol or drugs, hit-and-run, neglecting to report an accident involving injury or death, reckless driving, or auto theft; and is driving an insured vehicle which meets Vehicle Code requirements. Speeding violations would not endanger "good driver" status, as long as the total point-count did not exceed one point in a three-year period.

Also, auto-insurance rating plans based on geographical territories would be prohibited, unless it can be proven to be a valid predictor of losses. Instead, this measure requires that a rating plan be based principally on the insured's driving record.

Proposition 100 would provide for the collection of up to 10 cents per written policy from insurers to finance automobile insurance fraud investigations and prosecutions.

A computerized system offering consumers price-comparison data on basic automobile insurance would be established through the state Department of Insurance. Vehicle-registration renewal notices would tell purchasers of the availability of price-comparison data and include a request form which the consumer could return to the Department of Insurance for comparative price quotations for basic auto insurance.

An Insurance Consumer Advocate Office would be established in the Department of Justice. This office would represent consumers on an on-going basis and intervene on their behalf at hearings conducted by the Department of Insurance. Public hearings and Insurance Commissioner approval would be required for insurance rate changes of more than 7.5 percent for basic auto coverage, or 15 percent for commercial policies.

Currently, banks are prohibited from entering the insurance business, with the exception of issuing limited life insurance and certain policies that pay off a policyholder's mortgage or other loans in case of death. This initiative would allow banks to sell all types of insurance. Proposition 100 also would bar restrictions on attorneys' fees other than those already set by law existing on January 1, 1988. Penalties for fraudulent health-insurance sales to senior citizens would also be increased.

Argument For: Proponents argue that how one drives is more important than where one lives in determining how much one should pay for insurance. They claim that competition created among insurers will be increased by allowing banks to sell insurance, by lowering rates, and by increasing benefits. This initiative would also eliminate the exemption from the provisions of some anti-trust laws that insurance companies now enjoy.

Advocates of this measure claim that in the past, insurance companies have been content to pay insurance claims rather than to investigate those that may have been fraudulent, passing the costs on to consumers. This measure would require insurers to finance law-enforcement investigations and prosecutions of suspected cases of insurance fraud.

Proponents also claim that unlike other insurance initiatives (referring to Proposition 103), this measure does not allow drunk and reckless drivers to escape the responsibility for the damages they cause. It preserves the ability of victims and their families to contract freely with the attorney of their choice to sue for compensation.

Argument Against: The most vocal and best-financed opponent to this measure is the insurance industry, backer of the no-fault initiative. Others include Henry Voss, president of the California Farm Federation; Betty Smith, former chairwoman of the California Democratic Party; and state Senator Ed Davis. They argue that Proposition 100 would prohibit any government regulation of attorney fees as well as prohibit a no-fault insurance system which would cut the need for attorneys in many cases.

They also claim that by ignoring geographical territories when determining rates, insurance premiums for up to two-thirds of the state's drivers (those who do not live in the Los Angeles area) will increase, forcing them to subsidize drivers that have the highest insured losses. They argue that the only way to bring about long-term stabilization of insurance rates is to cut the underlying costs driving up the price of insurance, which they say are fraudulent claims, the cost of insuring against uninsured motorists, claims for non-economic loss such as for pain and suffering, and legal costs.

101 MOTOR VEHICLE ACCIDENT CLAIMS AND INSURANCE RATES

Proposal: Proposition 101, an initiative statute sponsored by Coastal Insurance Company and Democratic Assemblyman Richard Polanco of Los Angeles, would cut the bodily injury and uninsured-motorist portions of the insured's auto policy (about 40 percent of premium totals) by 50 percent of the rate that existed on October 31, 1988, or the October 31, 1987, rate adjusted for inflation — whichever is lowest. This would result in an total rate reduction of between 10 and 33 percent, depending on the type of coverage. The greatest rate cuts would be for those policies with the minimum coverage required by law. These rate reductions would occur on November 9, 1988, and would be frozen for one year. Thereafter, and until December 31, 1992, rates would be allowed to rise according to the physicians' services index of the consumer price index. (Since 1983, physicians' services rose an average of 7.92 points, while the consumer price index as a whole rose 3.68 points.)

Proposition 101 does not prevent other portions of the insurance policy, such as collision and liability coverage, from increasing in price. It also would mandate that other sources such as health-insurance companies and employers cover damages like medical costs and lost wages before insurance companies would be required to pay.

Motor-vehicle accident claims for non-economic losses, such as for pain-and-suffering, would be limited to 25 percent of the economic losses recovered. This limitation would not apply, however, to accidents involving death, both serious and permanent injuries, or disfigurement.

Lawyers' contingency fees would be limited to 25 percent of the economic losses recovered. Contingency contracts between lawyer and client would be required to be in writing and contain a statement that fees are negotiable and are capped at the 25

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percent level. This initiative would continue the insurance industry's exemption from some anti-trust laws, and would prohibit banks from selling insurance. Insurance companies would be prohibited from offering rebates to their customers.

Argument For: Democratic Assemblyman Richard Polanco of Los Angeles is the principal proponent, but major funding for this measure comes from the president of Coastal Insurance Company, Harry Miller, who does not support the insurance industry's proposed no-fault initiative. Coastal Insurance Company sells auto policies mainly to high-risk drivers. Other proponents include Republican state Senator John Seymour and Assembly Speaker pro Tempore Mike Roos.

Proponents claim that the rate reduction from this measure will average one-third and that future rate increases will be limitied to cost-of-living increases according to the physicians' service index, which has enjoyed twice the annual increase of the consumers' price index. Those motorists driving cars with little or no comprehensive or collision insurance will receive higher rate reductions, which will be especially helpful to senior citizens and people driving older cars.

Argument Against: Consumers Union, publisher of *Consumer Reports*, leads opponents of this initiative, saying that while it reduces one portion of an auto-insurance premium, it does nothing to restrict increases for other types of automobile coverage. Opponents claim that total premium rates could be higher if Proposition 101 passes. Opponents also say that only part of the costs and injuries suffered in an auto accident will be covered by insurance companies under the provisions of Proposition 101. The accident victim will have to use up health-insurance benefits, sick leave and disability insurance benefits before collecting auto-insurance benefits for medical costs or lost wages. This will substantially increase the costs of health insurance, they say.

103 INSURANCE RATES AND REGULATION

Proposal: Proposition 103, an initiative statute, is sponsored by consumer advocate Ralph Nader and associate Harvey Rosenfield, chairman of Voter Revolt to Cut Insurance Rates. According to its terms, all auto, homeowner, business, and other liability and property insurance rates would be rolled back to the November 8, 1987, rate, and then reduced no less than an additional 20 percent. Until November 8, 1989, rates could not be increased unless the Insurance Commissioner determines that the insurer would be seriously threatened with insolvency. After November 8, 1989, all rate increases would have to be approved by an elected Insurance Commissioner, and proposals for increases would have to be disclosed to the public no less than 60 days before the proposed increase could be approved. Rates would be determined primarily by the insured's driving safety record, number of years of driving experience, and the annual mileage driven. All drivers with at least three years driving experience with no more than one moving violation would qualify to purchase a good driver's discount policy, containing at least an additional 20 percent savings.

Proposition 103 also eliminates discrimination and anti-trust law exemptions in the insurance industry and, like Proposition 100, allows banks to sell insurance. Price-comparison insurance data would be available upon request for a reasonable fee from the Insurance Commissioner.

According to the terms of this initiative, the Insurance Commissioner would require insurers to enclose notices in every policy or renewal notice informing policyholders of the opportunity to join an independent non-profit corporation which will advocate the interests of insurance consumers. The Insurance Commissioner would be elected in the same election and for the same term as the governor. Currently, the Insurance Commissioner is appointed by the governor to serve concurrently with the governor's four-year term.

Argument For: Consumer advocate Ralph Nader and the chairman of the Voter Revolt to Cut Insurance Rates, Harvey Rosenfield, are the proponents for this initiative, which they say is the only insurance-reform measure to be written and paid for exclusively by consumers. Common Cause also supports this measure. Proponents claim Proposition 101 is the only one to reduce all automobile, home and business insurance premiums. In addition to ending insurance-industry exemptions to anti-discrimination and anti-trust laws and increasing competition by opening up the insurance business to banks, this measure will also create a permanent, independent consumer watchdog system to advocate insurance consumers' interests, they say.

Proponents say there are no clauses in this measure that would limit attorneys' fees because they believe that would limit an accident victim's ability to make insurance companies pay. Proponents urge voters to vote only for it. They note that the other measures all include clauses that would void Proposition 103, even if it is approved by a majority of voters. The only way to ensure that the reforms in this measure become law is to defeat all the others, they argue.

Argument Against: Opponents include California Chamber of Commerce President Kirk West, Republican state Senator William Campbell, and David Davreux, author of *Consumers' Guide to Auto Insurance*. But the campaign against Proposition 103 is being financed primarily by the insurance industry. Opponents argue that this measure does not enact any reforms to cut insurers' costs of providing coverage, such as the costs associated with uninsured motorists, fraud and auto-accident litigation. Opponents claim that by basing insurance rates on the driver's driving record and miles driven, and ignoring the driving safety record of the area where the driver lives, this measure would force drivers living in rural and suburban areas to subsidize drivers living in metropolitan areas — the areas with the highest insurance losses.

Opponents also say that convicted drunk-drivers who have not lost their licenses would qualify for the "good driver's" discount as outlined by this measure. They also oppose the transformation of the office of the Insurance Commissioner from an appointed to an elected position, charging that this would shift the priorities of the Commissioner from the duties of his or her office to the business of getting re-elected. Opponents also argue that this measure would contribute to the growing governmental bureaucracy by increasing the Department of Insurance's budget and staff.

104 AUTOMOBILE AND OTHER INSURANCE

Proposal: Proposition 104 is the "no-fault" insurance plan, an initiative statute sponsored by the insurance industry. Ac-

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cording to this plan, each person's own insurance company will pay for medical expenses up to $10,000, funeral expenses up to $5000 and 80 percent of lost wages up to $15,000 caused by an automobile accident, regardless of who is at fault. The no-fault system does not apply to the costs of repairing damaged property and automobiles. Those damages must be collected from the party at fault. Accident victims must go to court to collect damages above the no-fault limit. Damages for non-economic losses (pain and suffering) would be eliminated except in cases of death or "permanent disfigurement or injury."

Proposition 104 would require a 20 percent reduction in the bodily injury portion of an insurance premium, along with a slight savings on the uninsured motorist and medical payment portions, resulting in an actual total rate reduction of 7 to 17 percent, according to insurance industry figures. This rate cut would be calculated on a statewide average. The rate reduction would stay in effect for two years.

This initiative would allow insurance companies to offer, but does not mandate, a reduction in premiums to good drivers and drivers who are 55 years of age or older who successfully complete mature-driver improvement courses.

Proposition 104 prohibits the state from setting or approving insurance rates, except for workers' compensation and assigned-risk insurance. It also continues the industry's exemption from some anti-trust laws. It establishes an arbitration system for resolving disputes over the size of insurance awards. The power of the Insurance Commissioner to prosecute fraudulent insurance claims is increased by expanding the commissioner's jurisdiction over any law relating to insurance fraud.

Proposition 104 would continue the current method of setting rates by geographical territories. Lawyers' contingency fees would be limited to 15 percent of basic loss benefits recovered. For further damages, a lawyer's fee would be limited to 33 percent of the first $50,000, 25 percent of the next $50,000 and 15 percent of the amount recovered exceeding $100,000 above basic-loss benefits as defined by this measure.

Argument For: Stanley Zax, president of the Association of California Insurance Companies, on behalf of the entire insurance industry, is the proponent for this initiative. Other proponents include former San Francisco Mayor Dianne Feinstein and Assembly Minority Leader Pat Nolan. They say this measure will protect consumers by prohibiting insurers from canceling or failing to renew policies, or increasing rates solely because of a no-fault claim. Proponents also say the measure guarantees rapid payment of claims by imposing a penalty on insurers who do not pay claims within 30 days. Proponents argue that this measure will save taxpayers and consumers money by reducing the number of court cases, while still preserving the right to sue for out-of-pocket expenses that exceed no-fault benefit limits, and for pain-and-suffering damages in cases of serious and permanent injuries. Proponents say 90 percent of all auto-accident claims in 1986 would have been fully covered by the basic no-fault benefits.

Argument Against: The official argument against Proposition 104, the no-fault initiative, is submitted by the proponents of Proposition 103 — consumer advocate Ralph Nader and his associate, Harvey Rosenfield. The California Trial Lawyers Association (CTLA) also opposes this measure. Opponents argue that the no-fault initiative allows insurance companies to continue their anti-competitive behavior and exemptions from anti-trust and consumer-protection laws.

They say this measure allows insurance companies to continue to "unfairly" base rates on where people live, rather than on a person's driving record. While this proposition promises a rate reduction, it would apply only to a portion of the policy, while rates on other portions of the policy could be increased. Opponents also claim that insurance companies are free to raise their rates through Election Day, before they give drivers the advertised discount.

Opponents point out that "no-fault insurance" is a broad term, and that comparing no-fault insurance systems in the different states is very difficult. But they cite a U.S. government study which they say indicates that car-insurance rates are up to 40 percent higher in states with no-fault systems. Nevada and Pennsylvania have repealed their no-fault laws in recent years.

Opponents argue that because taxpayer-financed programs such as Medi-Cal would be forced to pay compensation to victims, before insurance companies would have to pay, taxpayers would be forced to shoulder the major burden of compensation.

106 ATTORNEY FEES LIMIT FOR TORT CLAIMS

Background: A "tort" is the ability to sue in court for an injury resulting from negligence or intent. A tort cannot involve a contract. Examples of tort cases are slander, libel, medical malpractice and accidents. Attorneys will often represent someone in a tort claim on a "contingency-fee" basis, which means they take a percentage of the amount won rather than charging hourly rates. Contingency-fee agreements often call for 40 percent of the award or judgment going to the lawyer. Lawyers argue that this system keeps the courts open to those who otherwise could not afford to pay a lawyer and that it protects citizens by giving lawyers a financial incentive to sue businesses that make dangerous products. However, detractors of the system say it encourages frivolous lawsuits (lawsuits in situations where insurance companies would pay anyway), unjustifiably increases awards and ends up costing everyone more through the higher costs of manufactured goods and insurance.

Proposal: Proposition 106, an initiative statute, would limit attorney contingency fees to 25 percent of the first $50,000 awarded, 15 percent of the next $50,000, and 10 percent of any award in excess of $100,000. The court would be able to review all tort cases to determine whether or not the fee is reasonable and may reduce the fee even more. The court would not be able to increase the fee above limits set by this initiative.

Argument For: The proponent for this initiative is Edwin Smith, a semi-retired lobbyist for Farmers Insurance Company and the National Association of Independent Insurers. The insurance industry supports the measure. Proponents say passage of this initiative will eliminate the "outrageous profits" lawyers make "at the expense of accident victims" and will cut down the large number of tort cases heard by the courts each year, ultimately saving taxpayers money.

Argument Against: Opponents to this measure include Judith Rowland, executive director of the California Center on Victimology, Los Angeles Mayor Tom Bradley, and the California Trial Lawyers' Association. Opponents claim that the only lawyers whose fees will be limited by this initiative would be those that represent victims who have been injured in accidents or by poorly manufactured products. Lawyers for insurance companies, manufacturers, large corporations, and criminals will not be affected. They argue that this would cripple victims' ability to retain qualified legal counsel, yet does nothing to limit the amount insurance companies may pay their attorneys to avoid paying victims' claims.

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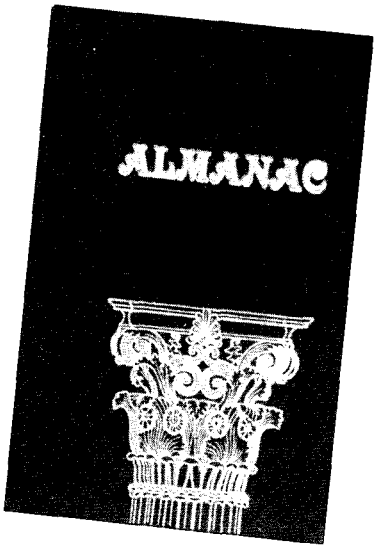

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Developers fight back

Their money stifles no-growth movement

By Donna Prokop

Carved into the sun-baked face of a rolling hillside in Laguna Niguel, a seaside suburb in south Orange County, stand hundreds of newly built tract homes packed tightly together in rows. It is an urban landscape in startling contrast to the verdant ranchland from which it sprang less than a year ago.

The homes sprawl up hillsides once dotted by fragrant orange groves and down into valleys where strawberry fields once grew. The housing tracts blanket the bulldozed hills as the automobiles of those who live there blanket freeways during rush hour, spending up to two hours to reach the outskirts of Los Angeles, 45 miles away.

Last June 7th, thousands of acres of yet-to-be subdivided ranchland in unincorporated south Orange County areas like Laguna Niguel became the battleground for one of the fiercest political wars in county history and scene of the most costly defeat to date for the state's once-dauntless slow-growth movement.

The race was a classic David and Goliath struggle that pitted a relatively underfinanced grassroots coalition against Southern California's wealthiest developers — who saw at stake nothing less than the future of their industry. Develop-

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Donna Prokop is Orange County bureau chief for the Los Angeles Daily Journal.

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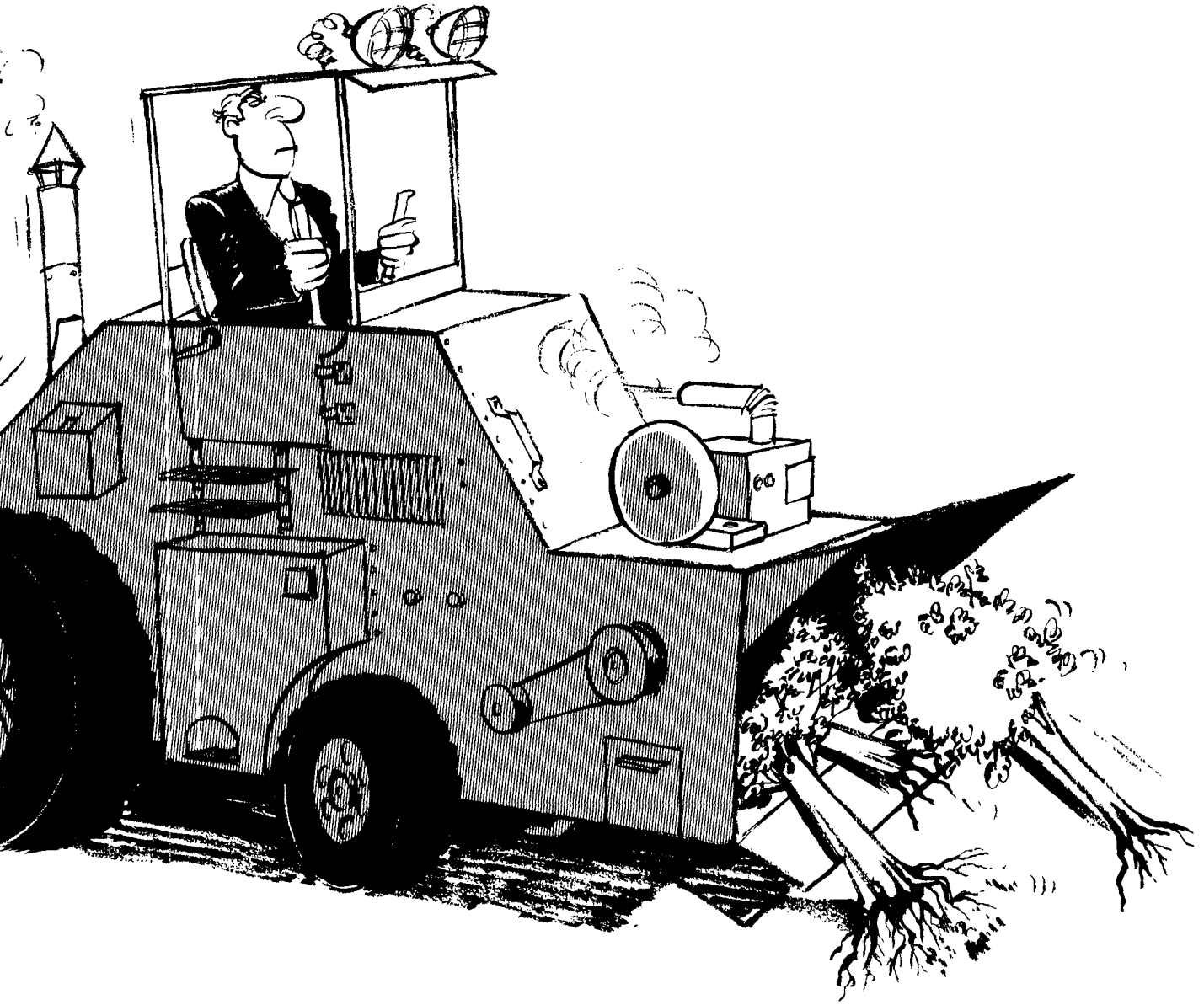

ers waged a professionally run, $2.2-million slow-growth counteroffensive that succeeded in flipping public opinion against a measure — Measure A — that just two months earlier had enjoyed an 80-percent lead in the polls. It was the largest amount of money ever spent in California on a county initiative campaign, and the first time the region's developmental interests joined *en masse* to beat back slow growth. They dumped more than $1.5 million into the campaign in the final two weeks alone, about $1 million of which went to hire thousands of paid campaign workers for door-to-door canvassing and telephone soliciting.

In stark contrast, supporters spent less than $100,000 on the entire initiative effort, including $22,000 to defend the measure in court during a series of pre-election challenges waged by the Building Industry Association of Southern California. The final election tally: 56 to 44 percent against Measure A.

Statewide slow-growth leaders now concede that the stunning defeat of the Orange County initiative, despite overwhelming public support early on, was their biggest setback ever. It was a powerful demonstration that wealthy development interests can crush an underfinanced opponent.

"It really was the first time there was a really big loss," admitted Linda Martin, co-chair of the Citizens for Limited Growth in San Diego and co-founder of SAVE California — a statewide slow-growth coalition formed in April 1988.

Orange County slow-growth advocates claimed the $8.25-per-vote cost of the election showed that growth advocates were willing to pay any price to win. "There's no question that the money was the determining factor [in Measure A's defeat]," said Tom Rogers, leader of the Orange County slow-growth movement and a former county Republican Party chairman. "That was an all-time record amount of money that was spent against us. I think it was the largest amount of money spent on a county ballot initiative in the United States."

"They bought themselves a landslide. It just shows you how much power that much money can generate," added Gregory Hile, a Laguna Beach attorney and co-author of the Citizens' Sensible Growth and Traffic Control Initiative.

The Orange County measure was one of a handful of growth-control measures on the June 1988 ballot in which the dollars spent by opponents appeared to be directly correlated to their rate of success. Slow-growth-related measures passed in the communities of Irvine, Hemet, San Clemente and San Marcos, where officials say little or no formal campaigns were waged against them. But the measures easily failed in the Los Angeles County suburbs of Manhattan Beach

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and Pasadena, where slow-growth proponents were widely outspent.

In Pasadena, opponents of Proposition G outspent backers by a 50-to-1 margin: $152,694 to $3132. The proposition — which would have required unanimous approval by the seven-member Pasadena Board of Directors of any major new development — was opposed by a coalition of major property owners, realtors and businesses. In Manhattan Beach, Proposition E, aimed at preserving neighborhoods from commercial intrusion, also failed by a 60 percent vote after a coaltion led by commercial businesses and major landowners outspent proponents by nearly 3-to-1.

Backers of a slow-growth measure on the April ballot in El Segundo, another Los Angeles County suburb, also attributed their loss to the large amount of money spent against them. The El Segundo Chamber of Commerce and a handful of major aerospace firms spent $68,000 to defeat Measure C, compared to $3205 spent by backers. The measure would have restricted the ability of some companies to build and expand in El Segundo.

In the past, builders in many parts of the state had avoided high-profile opposition campaigns against slow-growth measures, fearing outspoken opposition would backfire, actually driving voters to support controls. There had been scattered attempts to use dollars to defeat slow-growth measures in other elections — but most had been unsuccessful, until this Spring.

"I don't think [developers are] afraid to fight back anymore. They've learned that their involvement is not the kiss of death. That's one of the very important lessons that we learned in Orange County," said attorney John Simon, founder of Citizens for Traffic Solutions — the developer-financed group that successfully opposed the Orange County initiative. "And I think we've stopped for the moment any kind of statewide movement."

Indeed, the true test of the political strength of California's slow-growth movement in light of the defeat in Orange County may come November 8th when voters in Riverside and San Diego County decide the fate of growth in their communities. Big-dollar campaigns to defeat the measures are expected to be waged in what is being viewed by both sides as a high-stakes bid to stop slow growth dead in its tracks.

"If they are successful in knocking out the slow-growth initiatives in both [San Diego and Riverside] counties, I think they will have pretty much taken the wind out of the slow-growth movement's sails," said Riverside County slow-growth leader John Roth, who is already facing a 25-to-1 fund-raising disadvantage, larger than the one that confronted slow-growth advocates in Orange County.

The dramatic defeat of the Orange County slow-growth measure surprised even its opponents, particularly in light of its promising start. In February, ebullient slow-growth proponents arrived at the county registrar of voters office in a black hearse and delivered a coffin filled with initiative petitions bearing 96,000 signatures in support of the measure. It was 30,000 more signatures than backers needed to qualify the initiative.

At the time the petition signatures were submitted, developer-sponsored polls were showing the measure leading 78 percent to 14 percent, Simon said. "The feeling was that it couldn't be beat," he added.

Measure A had been widely viewed as one of the toughest slow-growth initiatives ever proposed. It would have banned new development in the county's unincorporated areas — where vast acres of prime, undeveloped land lies — if the roads, sewers and emergency services could not handle it.

For slow-growth advocates, a victory would have been sweet. As the state's third-most populous county and one of the country's most solidly conservative communities, the Orange County race took on watershed proportions, attracting nationwide media attention. Many observers felt that if growth controls could pass in a Republican-dominated county reknown for its *laissez faire* attitudes and staunch free-market values — then the possibilities for the populist slow-growth movement were endless. "It was the bellwether," said Simon. "It was being watched closely everywhere in the state [and] across the country. If it had been successful in Orange County, everyone felt that it would happen everywhere."

Early support against the initiative had come primarily from a few other lawyers, realtors and local stock and insurance brokers. But by March, only $80,000 had been raised. By April, the Building Industry Association of Southern California, unsuccessful at stopping the slow-growth measure in the courts, joined the fledgling Citizens for Traffic Solutions committee.

Until then, Simon, the committee's fund-raising chairman, said he had had trouble encouraging developers to contribute. "No one wanted to be associated with it at first," Simon said. His pitch to developers had been that the issue was broader than just the future of undeveloped ranchland in south Orange County: Nothing less than the future of the slow-growth movement was at stake. "I told them that winning wasn't necessarily the issue. That the issue was to avoid a defeat by an overwhelmingly large margin," he said. "If we had done nothing, we would have lost by 80-plus percent."

Simon said the political fallout of such a defeat would be

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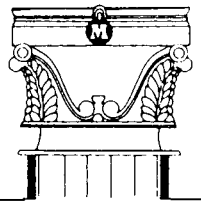

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that most of the 27 cities in Orange County would either adopt similar ordinances or put similar Measure A initiatives on the November ballot — as had San Clemente. He predicted a statewide spurt of similar measures, and possibly a statewide initiative. "I pointed out that slow growthers were already talking about a statewide measure. If such a measure would succeed, I said their (the developers') politician friends would abandon them. And then — they would have nobody," Simon said. "After that ... they were willing to listen."

Contributing a total of nearly $500,000 against Measure A were Orange County's three major landowners — the Irvine Company, the Santa Margarita Company, and The Mission Viejo Company. Developers in other areas like Los Angeles added another $100,000 in hopes of putting an end to the state's slow-growth wildfire.

The $2.2 million warchest raised by Citizens for Traffic Solutions helped hire political consultant Lynn Wessell — who was paid $35,000 to orchestrate the campaign. Wessell, president of a Los Angeles-based public affairs consulting firm, has racked up more than nine victories in 12 California battles against slow-growth advocates. He hired hundreds of paid workers — more than half of the 3100 campaigners against Measure A.

"The campaign itself had to be fought at the grass-roots level, not on television with slick commercials," Wessell said. In their literature, Citizens for Traffic Solutions portrayed the initiative as a misguided attempt to solve traffic problems that would end up making traffic worse and costing taxpayers a considerabe amount. The strategy was to attack the widespread belief that development causes congestion and to portray developers as a major source of fees used to finance new roads and freeways.

Wessell had 800 people walking precincts daily, sent out five county-wide mailers and had a 130-person phone bank making individual contact with known voters up to three times each during the course of the campaign, he said.

Meanwhile, slow-growth activists raised less than $100,000, the bulk of which was spent on qualifying the initiative and fighting developers in court, and related fund-raising expenses for a Legal Defense Fund. They sent out only one mailer: a piece targeted to just 50,000 voters. They complained their meager funds made them unable to counter last-minute "lies and deceptions" used by opponents to sway the public against the measure.

Rogers complained that hired telephone solicitors were inaccurately telling voters the initiative would raise their taxes $1800 a year. "That was ridiculous. You can't raise property taxes under Proposition 13. I didn't really think anybody would believe that. But apparently, some people did."

Simon flatly denies that opponents employed shady tactics to win. "It's not true. I don't think anything we said was a lie or a deception," he said.

Astutely, Measure A opponents, banking that Measure A would likely win in the unincorporated county areas where concern about growth was the highest, concentrated their mailings on the older, less economically well-off cities in north Orange County. Their message to voters was that it would cost billions to meet the standards required by the initiative to improve roads, emergency services and flood protections. They suggested north county residents would have to pay the bill to improve the newer, wealthier south county.

In the final analysis, the five large central and north county cities dealt the killing blow to the initiative — Anaheim, Fullerton, Santa Ana, Orange and Garden Grove. The measure won in only the five south county cities — Laguna Beach, Mission Viejo, San Clemente, San Juan Capistrano and Irvine, as well as in the unincorporated areas.

Rogers admits that proponents may have been overconfident. He speculates that another $150,000 was needed to conduct at least two county-wide mailers on behalf of Measure A. "But that's presupposing that they would not have doubled their expenditures. And they had unlimited funds," Rogers said, glumly. "Under the desperation tactics that they were using, they could have made the allegation that the initiative caused cancer."

"The real problem they had was that they didn't wage a campaign at all. They were not only overconfident, they were smug," Simon said.

Slow-growth activists across the state say they have learned much from the Orange County defeat and are revising their campaign strategies for the November elections accordingly. They believe Orange County slow-growth supporters may have been overconfident — and are taking that lesson to heart. Future slow-growth battles will require them to raise more money, run more sophisticated campaigns, and better employ their armies of volunteers.

"I think what we learned in Orange County is that [developers] have gotten a lot smarter," said Martin, co-founder of Citizens for Limited Growth in San Diego, which has a measure on the November 8th ballot. "Now, they hire people to walk the precincts and work phone banks so that it's harder to tell who's the real volunteer and who's the paid campaign worker.

"Before, all we had to do pretty much was qualify an initiative for the ballot," Martin said. "Now we have learned that we have to raise the money. We cannot make any assumptions about people knowing how to vote without some voter education."

In San Diego, a handful of "quality of life" measures will

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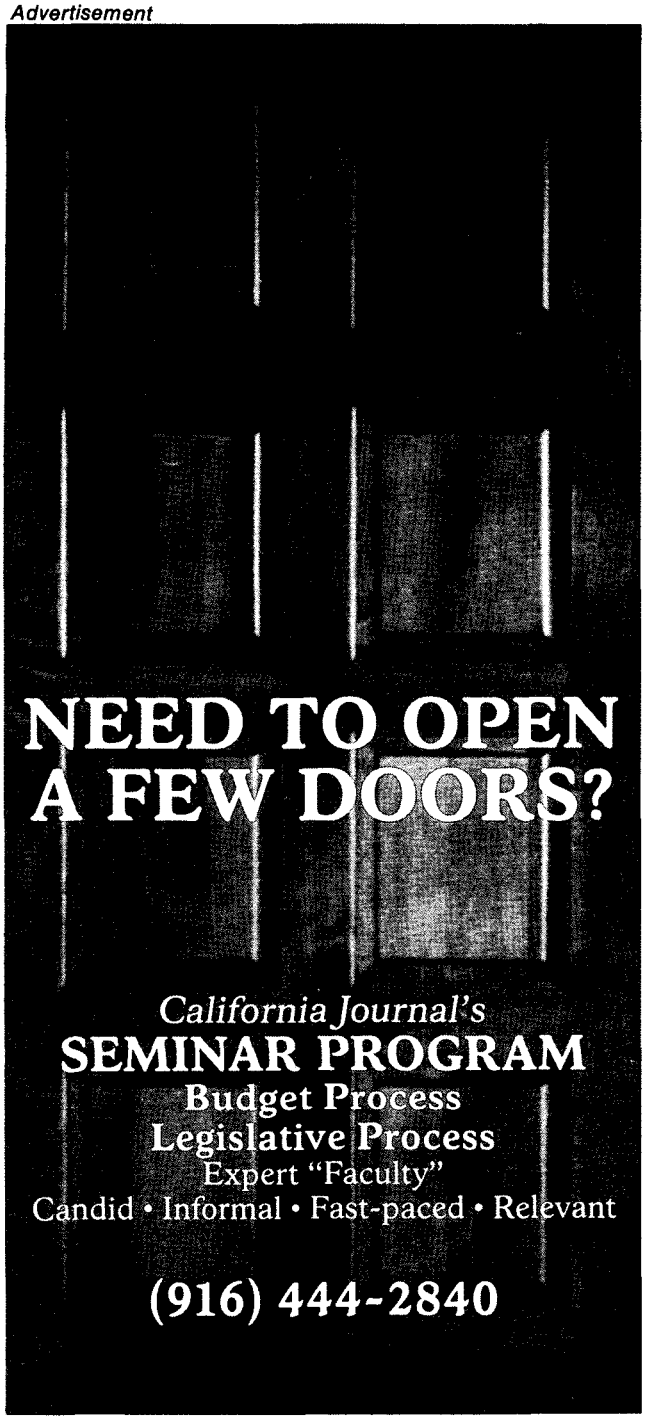

FALL SCHEDULE

October 14	DEMYSTIFYING CA's BUDGET PROCESS	**Sacramento**
October 20	DEMYSTIFYING the LEGISLATIVE PROCESS	**Los Angeles**
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October 27	THE LEGISLATIVE PROCESS, Bill Tracking and Analysis	**Sacramento**

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appear on both the city and county ballots November 8th. One measure is being supported by Citizens for Limited Growth, the slow-growth coalition, and the others have been placed on the ballot as less restrictive alternatives by the city council and board of supervisors. The measure sponsored by slow-growth leaders would allow construction of 7000 to 9000 residential units in the first year after passage, gradually reducing that number to 4000 to 6000 in the fourth year.

Martin said the organization hopes to raise between $50,000 to $100,000 to win passage of the initiative; they have already spent $100,000 to qualify it for the ballot. She is confident San Diego voters will recognize what she expects to be a multi-million-dollar "disinformation" campaign waged by the building industry, labor unions and the chamber of commerce against the measure. "We have a very sophisticated electorate," she said confidently. "They know when the builders are trying to buy their votes — and I think they'll resent that."

In Riverside County, the state's second largest and fastest growing county, slow-growth leader John Roth is already nervous about his fund-raising disadvantage. As of early August, opponents of the measure had raised $372,000; compared to the $14,800 raised by supporters.

Roth believes growth-control opponents want to win big in his town. "The development industry, the building industry, the large landowners are really interested in completely crushing the movement. But if we succeed in Riverside County, that gives impetus to initiatives in San Bernardino, San Luis Obispo, Ventura County, everywhere," said Roth, president of the Yes on Residents Controlling Growth. The Riverside County ballot measure would limit the number of new housing units built in the unincorporated areas of the county to the statewide growth rate of the previous year. Supporting the initiative is the 2000-member Riverside-San Bernardino chapter of the Sierra Club. Simon, who has taken the role as an informal advisor to growth-control opponents, said the same Orange County-based developers involved in Measure A's defeat control 80 percent of the proposed new housing projects in Riverside and are expected to get involved heavily in the Riverside race.

But Frank Wilson, campaign consultant for Residents for Responsible Planning, which is opposing the measure, said the committee has received under a dozen contributions of less than $40,000 to date from Orange County-based developers. "I wish they would come here. We need their help," he said.

Wilson said he needs at least $700,000 to get his message out to the far reaches of Riverside County — which encompasses communities from Blythe to Corona — the message that the initiative will hurt county residents and rob them of local control. "But we've got a tough fight here because if you read the initiative it says a lot of fine things. It's motherhood and apple pie."

In the aftermath of the Orange County defeat, growth-control proponents appear split on the effect of the stinging loss on their movement. Some say the defeat has strengthened their resolve to try harder, while others are more disheartened. Orange County slow-growth leader Hile believes slow-growth backers have an inherent disadvantage they will never be able to overcome.

"We raised as much as any group has ever raised for a slow-growth battle. But we're just citizens out there, we're not professionals. We didn't have the resources — and we'll never have the resources," he said. "But if [builders are] smart, they're going to realize they can't afford to keep bankrolling these huge campaigns. Well ... maybe they can. We'll see."

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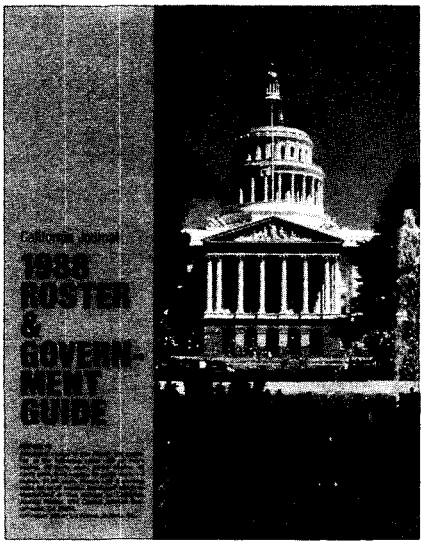

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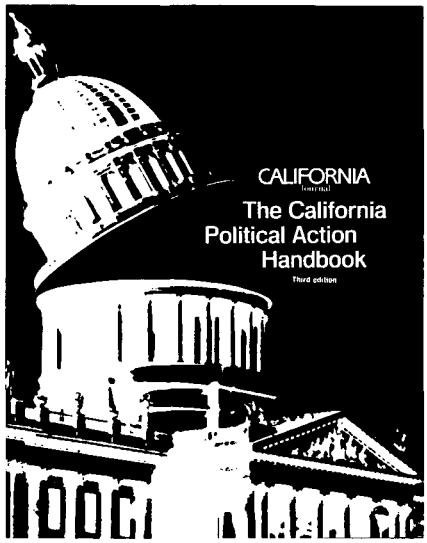

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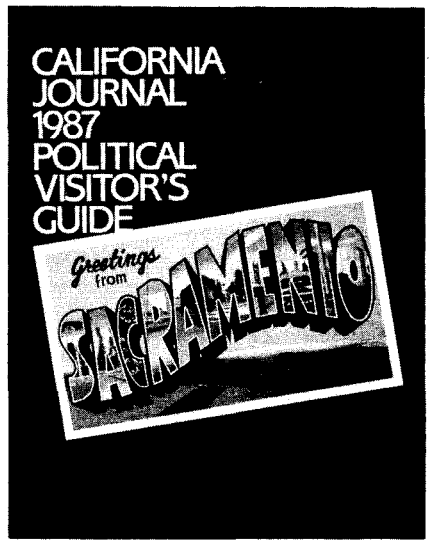

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BUSINESS ASSOCIATIONS

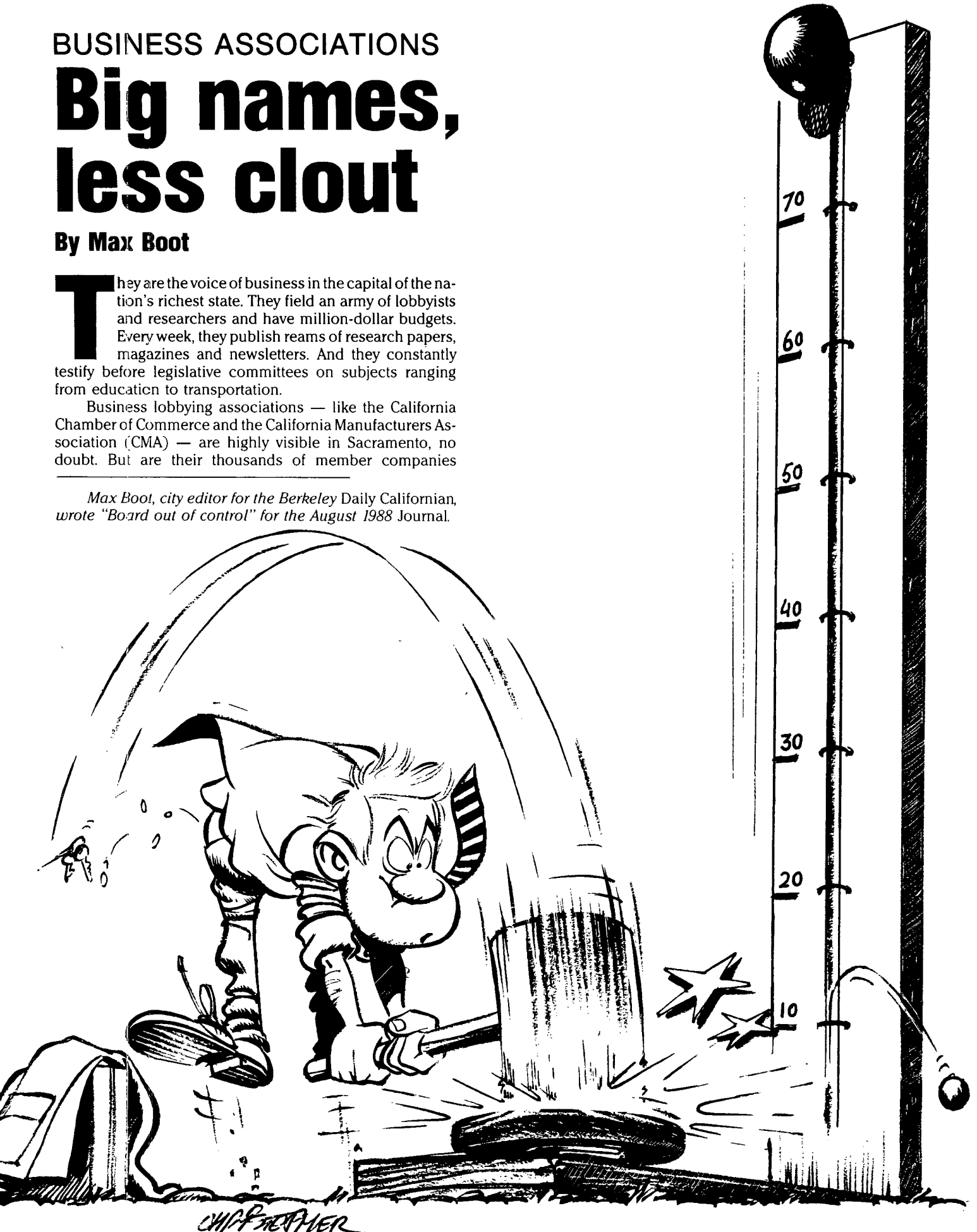
Big names, less clout

By Max Boot

They are the voice of business in the capital of the nation's richest state. They field an army of lobbyists and researchers and have million-dollar budgets. Every week, they publish reams of research papers, magazines and newsletters. And they constantly testify before legislative committees on subjects ranging from education to transportation.

Business lobbying associations — like the California Chamber of Commerce and the California Manufacturers Association (CMA) — are highly visible in Sacramento, no doubt. But are their thousands of member companies

Max Boot, city editor for the Berkeley Daily Californian, *wrote "Board out of control" for the August 1988* Journal.



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getting the legislative clout they expect from their business associations?

Besides the Chamber and the CMA, there is the smaller California Business Alliance and at least two groups concerned with specific issues — the California Council for Environmental and Economic Balance (CEEB), which presents a pro-business viewpoint on toxics and environmental issues, and the California Taxpayers Association (CalTax), which targets business taxes and efficiency in government.

West

The associations, unlike contract or corporate lobbyists, don't lobby on issues that affect only one company or one industry. The associations work on "issues that affect everyone who does business in California," says David Ackerman, vice president and chief lobbyist of the Chamber of Commerce. At the moment, officials say, their top priority is reform of the workers' compensation insurance system, but recently they also have targeted the unitary tax, tort reform, Proposition 65 (the anti-toxics initiative), proposed increases in the minimum wage, plant closure bills, and tax conformity legislation.

With a large, permanent presence in Sacramento — the Chamber has 12 full-time advocates; the CMA and CalTax, five each — the associations monitor virtually every bill introduced in the Legislature that affects the "state's business climate." (Lawmakers introduced a total of 8000 bills during the 1987-88 session.)

The associations keep their members informed of legislation affecting them through weekly newsletters and a seemingly endless stream of "special reports" on "key issues." The organizations also use this communication with their membership to tout their lobbying effectiveness, often announcing that an association lobbyist testified at a legislative hearing or that the association president held a press conference.

But while the associations keep a high public profile, some critics charge that they are not as effective as one might expect of organizations that claim to represent all of the state's business interests.

The business associations do "not have the voice they should have in Sacramento," said a contract lobbyist who represents a number of corporations and asked that his name not be used. For instance, the lobbyist asserted, "The Chamber traditionally has been more interested in reporting back to their members than getting results in the Legislature.... They report outcomes rather than affect them."

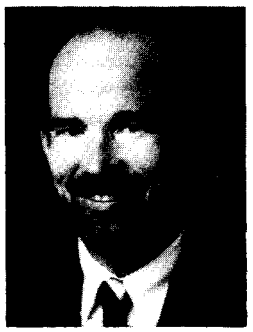
Many observers suggest that the association lobbyists, who represent disparate business interests and work on many issues at the same time, are stretched too thin. "There are times when the Chamber, because they're covering so many issues, don't do the behind-the-scenes work (talking to legislators) — they'll just give (committee) testimony or write a letter. That doesn't cut it," contended an industry group lobbyist who had worked with the Chamber in the past and spoke on condition of anonymity. "You can't get anywhere around here like that. You need personal contact (with legislators)."

Echoing the lobbyist's view, Republican state Senator Marian Bergeson, vice-chairman of the Budget and Fiscal Review Committee, said, "I can't actually remember when I was personally lobbied on a bill by someone representing the CMA or the Chamber. Oftentimes in committee hearings we hear a representative on some interest they have.... [But] personal contact is always effective."

Bergeson added, however, that the business associations' thousands of members sometimes can stage effective grass-roots lobbying campaigns which contract or corporate lobbyists — who represent only a few firms — cannot do. "My local Chambers of Commerce talk to me," she said.

Still, in the view of Michael Paparian, chief lobbyist for the Sierra Club, which often opposes business interests, "Corporation lobbyists may be a bit tougher to deal with than trade associations. Companies have more formidable and focused interests."

Acknowledged Timothy Shannon, CMA vice-president and chief lobbyist: "We could use more people, more staff... We do have interests spread over a wide range of activities, maybe more spread than others' (lobbyists')."


Shannon

"But," he continued, "when we speak on issues, legislators know we represent the business community speaking with one voice." Capitol insiders agreed, saying that when business associations take a position on a bill, lawmakers, especially Republicans, take notice.

Another criticism: Because a business association's position on a bill or issue is determined by a board of directors that meets infrequently, the association's lobbyists often can't react quickly to amendments that change a bill's impact. Observed Assemblyman Johan Klehs, a San Leandro Democrat who chairs the Revenue and Taxation Committee: "Contract lobbyists have a lot more freedom to make a decision on-the-spot whether their client will support [an amendment]. The associations have a cumbersome internal structure.... It takes a longer time for them [association lobbyists] to approve a change in their position. That's a weakness, and a frustration of mine in dealing with them."

A major failing of the business associations, according to observers, is that they often hire lobbyists with little or no previous government experience, and then give them on-the-job training. Still, even if they have to learn the job as they go along, some association lobbyists do become excellent advocates. Among the latter, often cited is Fred

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Main ("one of the brightest lobbyists around," in the opinion of independent state Senator Quentin Kopp of San Francisco), who lobbies on tax issues for the Chamber.

Unfortunately, said a former CMA lobbyist who refused to be identified, "people get on-the-job training and move on. There's no additional room for growth in the associations.... The money is a factor. Eighteen-hour days for a fraction of what you're able to obtain elsewhere get to you." (Because the associations are non-profit, they pay substantially less than many independent lobbying firms or corporations.)

The associations also are hurt because they contribute very little, if anything, to politicians' campaign war chests, sources say. Most of their member firms, association officials explain, prefer to make political donations directly, not through them. Of course, the business associations are not entirely left out of the financial picture: both the CMA and the Chamber have small PACs (the Chamber only contributes to initiative campaigns, while last year the CMA gave just $3750 divided among seven legislators). And, as Ackerman of the Chamber put it, "We try to coordinate donations made by our member companies."

One method that the Chamber uses to coordinate donations is its annual rating of lawmakers' votes on significant bills — how often they voted with the Chamber position and how often against it. "A strong pro-business (voting) record translates into local support, indirectly," said Senator Bergeson. "Contributions can come about as a result."

But the associations, unlike many corporate or contract lobbyists, just don't swing large amounts of money. The effect of this on their lobbying clout is unclear because no one can agree exactly what role, if any, donations play in influencing legislators' votes. But a legislative source who refused to be named apparently spoke for many when he suggested, "Money still has far too much influence in legislative politics as a driving influence." If that is the case, then the clout of the business associations is severly curtailed.

The business associations' top officials argue that their role is broader than merely lobbying, and includes such services for their members as workshops on the legislative process and the weekly newsletters. Still, they admit, the associations often cannot achieve results in the Legislature comensurate with their titanic resources.

Ackerman added, however: "I don't see that as criticism. I see it as my principal challenge ... to mobilize [the Chamber] and make it much more effective [as a legislative advocate]. I'm the first to admit we've got a long ways to go, but we've started moving in that direction."

A number of lawmakers, legislative staffers, and lobbyists interviewed for this article agreed that the Chamber is becoming a more effective lobbying organization under the new management team of President Kirk West, a 25-year Capitol player who was Governor George Deukmejian's first secretary of the Business, Transportation, and Hous-

CEEB: fighting the unpopular fight

While most of the business lobbying groups were created to amplify the power of individual businesses, there is one that has prospered because of quite different motives. CEEB, the California Council for Environmental and Economic Balance, has prospered by being the spokesman against "motherhood" bills that individual businesses want killed, but where they don't want their fingerprints on the smoking pistol.

"CEEB gives industries a cover so they don't have to get up and say they oppose, for example, a clean-air bill," says one aide to a Democratic legislator.

And despite the even-handedness implyed in its title, the 700-member organization is financed primarily by major corporations, particularly oil and chemical firms, to represent their interests on toxics and environmental legislation. And CEEB's operating style — if not its goals — differ sharply from those of other business lobbying associations in Sacramento.

While the Chamber of Commerce and the California Manufacturers Association (CMA), the two leading business associations, employ large staffs of full-time lobbyists, many of whom are inexperienced; CEEB uses only contract lobbyists, who are given high marks by legislators and fellow lobbyists for their savvy and know-how. The other business associations are often said to be maddeningly intrasigent on legislation. For instance, in a "kill or pass" posture, CEEB typically attempts to amend bills, rather than kill them outright ("the only amendment some authors won't accept is striking their name," says CEEB president Donald E. Burns, adding that an environmentalist bill can be amended so much that it is barely recognizable to its original supporters).

Finally, while the Chamber and CMA are often compared unfavorably to other business lobbyists in terms of achieving legislative results, many Capitol insiders describe CEEB as the most effective business lobbyists on the issues they work on.

CEEB was formed in 1973 as a joint venture between corporations and labor unions in response to the growing environmentalist movement in California. "It grew out of the perception that there was a major conflict between the goals of the evironmentalist community and the business community and there ought to be a way to harmonize those goals," Burns recalls. Despite its bipartisan origins, CEEB — whose first chairman was former Governor Pat Brown — quickly became dominated by its corporate members, who still donate its entire budget.

In the late 1970s and early '80s those corporations, especially oil companies and utilities, used CEEB "to shield against public exposure of their involvement" in efforts to defeat environmentalist legislation, such as toxic clean-up laws or nuclear industry regulations, says Michael Paparian, chief lobbyist of the Sierra Club. CEEB's Burns does not deny that this was the case, but he adds that CEEB is now trying to act more as an "honest broker" between business and environmentalist interests in order to get environmental legislation passed that is acceptable to both sides. He cites his own appointment as an example: Burns was the Business and Transportation Agency secretary under former Governor Jerry Brown.

But not everyone agrees with Burns' contention. "I don't see any sign that they're better on the environment now," counters Corey Brown, chief lobbyist of the Planning and Conservation League. "CEEB is one of the major anti-environmentalist lobbying forces in California. They consistently lobby against cleaner air, better waste management, and better protection of the environment."

— *Max Boot*

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ing Agency, and chief lobbyist Ackerman, who was West's undersecretary.

Meantime, the CMA is undergoing, as one former CMA lobbyist termed it, a "rebuilding period." Shannon, who started at the CMA last year, said, "We had some turnover in staff, and we're in the process of getting new people [lobbyists] and settling in. I think we're on the upswing; there was a transition period and we're coming out of that."

As for the other associations, the California Business Alliance, which represents 7000 small businesses, mostly limits its lobbying activities to polling its members on pending bills and then giving their polling results to lawmakers, according to its president, Thayil Mathew. CalTax functions much like the Chamber and CMA, while CEEB uses contract lobbyists to target specific issues (see box).

To maximize their influence on legislation, association lobbyists often work in conjunction with each other and contract lobbyists representing member firms. For example, the CMA holds weekly meetings, at which a large number of business lobbyists get together and plot strategy on pending bills. Often, Shannon said, "all [of the business lobbyists] will work behind the scenes, but only the association comes forward as a public representative of the business position on legislation." by testifying at committee hearings, for example.

A chief asset that the business associations bring to these lobbying coalitions is their research ability; virtually all their lobbyists write research papers on the areas on which they lobby. "They [the associations] deliver a lot of excellent information that helps members make decisions," said Keith Ememoto, chief of staff to Democratic state Senator Alfred Alquist, chairman of the Budget and Fiscal Review Committee. "Of course, they cover their perspective on it. But, hopefully, you end up in a balance of data necessary to make a sound judgment."

CalTax, in particular, is renowned for its research reports because, as Vice-President Richard Simpson explained, researching tax issues is as much a part of their mission as is lobbying.

And, whatever their shortcomings as legislative advocates, the associations do have unparalleled pull with Governor Deukmejian, generally considered a pro-business chief executive. If a bill opposed by the associations is passed by both houses, business interests can usually count on a veto from Deukmejian. "Our access [to the governor] is good," said Ackerman. "....He is particularly helpful. I wouldn't call it [a veto] a failsafe device, but it's a good situation for business to have a good friend in the governor's office who agrees with our side on major legislation which, if passed and signed, could be very detrimental to business."

Significant legislation opposed by the associations and recently vetoed by the governor includes bills to: raise the minimum wage to $4.25 an hour (SB 1568); require employers to provide parental leave (AB 368); criminalize violations of Cal-OSHA standards (AB 435); and force the Department of Health Services to adopt water standards at the tap (AB 859).

The associations scored another major victory when, at their urging, the Deukmejian administration implemented the narrowest possible interpretation of the 1986 anti-toxics initiative, Proposition 65. (In response, environmentalist groups took the governor to court and forced him to expand the state's list of cancer-causing chemicals from 29 to over 200.)

"If you didn't have a broad, multipurpose business organization, you would have to go out and invent one," says Chamber President Kirk West. "While we may not have great expertise in specific issues, business needs a strong voice that looks at the larger issues that affect business — [like] what is the economic climate."

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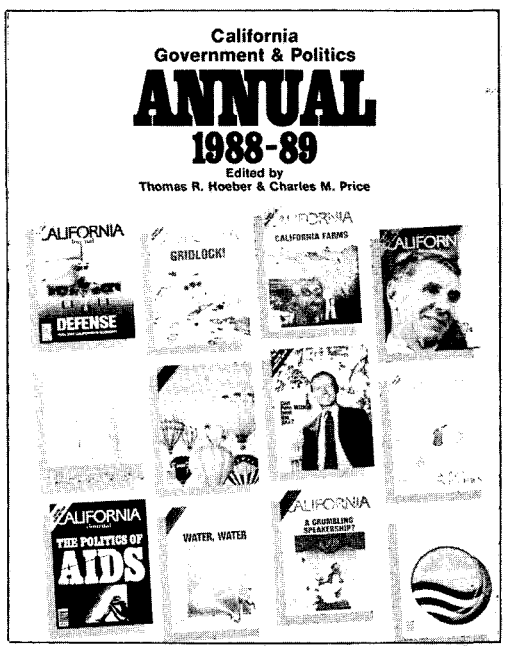

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ROLL CALL

UNIVERSAL HEALTH CARE

ACA 60 (Hauser) Would amend the state's constitution to declare that affordable and accessible health care is the right of every state resident. Would also require the Legislature to act within two years to develop and finance a specific program, not subject to budget appropriation limitations, providing for health care charges based on ability to pay. Failed in the Assembly August 10th, 43-32.

OFFSHORE OIL

AB 284 (Hauser) Would prohibit the State Lands Commission, until January 1, 1995, from leasing for oil and gas purposes all state-owned tide and submerged lands situated in Mendocino and Humboldt Counties which are currently not prohibited from leasing. Passed the Assembly June 23rd (1987), 43-34. Passed the Senate August 12th, 28-6. Vetoed.

TRIAL COURT FUNDING

AB 1197 (Brown, W.) Part of a two-bill trial court funding package, this bill would allocate $206.5 million to counties to support the trial court system and pay for the addition of 109 additional judges. Contains several amendments, notably a provision to allocate a portion of county revenue to cities which now receive little or no property tax revenue, the so-called "no and low" property tax cities. Assembly adopted conference report August 31st, 67-5. Senate adopted conference report August 31st, 27-7. Governor's Office.

HEALTH INSURANCE — BREAST CANCER SCREENING

AB 1201 (Cortese) Would require individual health-insurance plans to cover the cost of mammograms, as is required for a variety of group health-care service plans. Passed the Senate August 25th, 33-0. Assemby concurred with amendments August 25th, 56-16. Governor's Office.

COMMUNITY COLLEGES

AB 1725 (Vasconcellos) Would establish major reforms in the community college system, including provisions for $5 million for instructional improvement, development of a common core curriculum to ease the transfer process to four-year colleges, and revision of the membership of the Board of Governors. Passed the Senate August 30th, 38-0. Assembly concurred with amendments August 31st, 76-1. Governor's Office.

PROSTITUTION — AIDS TESTING

AB 2319 (Bronzan) Would require persons convicted of solicitation for or acts of prostitution to be tested for AIDS. Would also require state prison terms for repeat offenders who had previously tested positive for AIDS antibodies. Passed the Senate August 26th, 36-0. Assembly concurred with amendments August 31st, 73-2. Governor's Office.

CLEAN AIR

AB 2595 (Sher) Would require smog-control districts not meeting federal clean-air standards to reduce smog emissions by 5 percent a year. Passed the Senate August 29th, 25-4. Assembly concurred with amendments August 31st, 47-27. Governor's Office.

PORNOGRAPHY

SB 5 (Deddeh) Would revise the definitions of "obscene" and "harmful" matter to conform with the approach to pornography control endorsed by the U.S. Supreme Court in 1973. Passed the Assembly August 4th, 57-11. Passed the Senate August 30th, 27-7. Governor's Office.

HEALTH INSURANCE

SB 6 (Robbins) Would establish a health-coverage association to provide coverage to persons who are not otherwise eligible for coverage due to either a pre-existing medical condition or financial constraints. Passed the Assembly August 30th, 59-18. Senate concurred with amendments August 31st, 37-0. Governor's Office.

RADON DETECTION

SB 1978 (Rosenthal) Would require the Department of Health Services to establish and administer a radon detection program by

SENATE

Democrats	AB 284	AB 1197	AB 1201	AB 1725	AB 2319	AB 2595	SB 5	SB 6	SB 1978	SB 2145	SB 2592	SB 2703	
Alquist	•	•	Y	Y	Y	Y	N	Y	Y	•	Y	Y	Alquist
Ayala	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Ayala
Boatwright	Y	•	Y	Y	Y	Y	Y	Y	Y	Y	•	Y	Boatwright
Deddeh	Y	•	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Deddeh
Dills	N	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Dills
Garamendi	Y	Y	Y	Y	Y	•	Y	Y	Y	Y	Y	Y	Garamendi
C. Green	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	C. Green
B. Greene	•	•	•	Y	•	•	•	•	Y	•	N	•	B. Greene
L. Greene	Y	Y	Y	Y	Y	•	Y	Y	Y	•	Y	Y	L. Greene
Hart	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Hart
Keene	Y	Y	•	Y	Y	Y	N	Y	Y	Y	Y	Y	Keene
Lockyer	Y	N	Y	Y	Y	Y	N	Y	Y	Y	N	Y	Lockyer
Marks	Y	N	Y	Y	Y	Y	N	Y	Y	N	N	Y	Marks
McCorquodale	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	McCorquodale
Mello	Y	Y	Y	Y	Y	•	Y	Y	Y	Y	Y	Y	Mello
Montoya	Y	Y	Y	•	•	Y	•	•	Y	•	Y	•	Montoya
Petris	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	N	Y	Petris
Presley	Y	N	Y	Y	Y	Y	•	Y	Y	Y	Y	Y	Presley
Robbins	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Robbins
Roberti	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Roberti
Rosenthal	Y	Y	Y	Y	Y	•	N	Y	Y	N	N	Y	Rosenthal
Torres	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	•	Y	Torres
Vuich	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Vuich
Watson	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y		Watson

Republicans	AB 284	AB 1197	AB 1201	AB 1725	AB 2319	AB 2595	SB 5	SB 6	SB 1978	SB 2145	SB 2592	SB 2703	
Bergeson	Y	N	Y	Y	Y	N	Y	Y	Y	Y	Y	N	Bergeson
Beverly	Y	Y	Y	Y	Y	Y	Y	Y	Y	•	Y	N	Beverly
W. Campbell	Y	Y	•	Y	•	•	•	Y	Y	Y	Y	N	W. Campbell
Craven	•	Y	•	Y	Y	Y	Y	Y	Y	•	Y	Y	Craven
Davis	Y	Y	Y	Y	Y	•	Y	Y	Y	Y	Y	N	Davis
Doolittle	•	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	•	Doolittle
Ellis	N	•	Y	Y	Y	•	Y	Y	Y	Y	Y	Y	Ellis
Maddy	•	Y	Y	Y	Y	•	•	Y	•	Y	Y	Y	Maddy
Morgan	Y	N	Y	Y	Y	Y	Y	Y	•	Y	Y	Y	Morgan
Nielsen	Y	Y	Y	Y	Y	N	Y	Y	Y	•	Y	N	Nielsen
Richardson	•	•	•	•	•	•	•	•	•	•	Y	•	Richardson
Rogers	N	Y	•	Y	Y	N	Y	Y	Y	Y	Y	N	Rogers
Royce	Y	Y	Y	Y	Y	Y	Y	Y	Y	•	Y	N	Royce
Russell	N	Y	Y	Y	Y	•	Y	Y	Y	Y	Y	Y	Russell
Seymour	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Seymour

Independent

Kopp	Y	Y	•	Y	Y	Y	Y	Y	Y	Y	N	Y	Kopp

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March 1, 1989. Passed the Senate May 26th, 37-0. Passed the Assembly August 10th, 62-9. Vetoed.

AIDS TESTING

SB 2145 (Ayala) Would permit, at the discretion of the chief medical officer of a Department of Youth Authority facility, involuntary AIDS antibody testing of persons confined by the California Youth Authority. Would also authorize the medical officer to disclose these test results to the superintendent or administrator of the facility. Passed the Senate June 2nd, 28-3. Passed the Assembly August 30th, 74-0. Governor's Office.

CONSUMER CREDIT INTEREST RATES

SB 2592 (Dills) Would remove the 18 percent ceiling on interest rates that retail stores are permitted to charge their customers. Passed the Senate June 8th, 26-12. Passed the Assembly August 8th, 48-24. Chaptered.

VOTER REGISTRATION

SB 2703 (Marks) Would require that all voters who had not voted in four consecutive state-wide elections be purged from the rolls, would expand the existing system of pre-primary residency confirmation, and would require all state and local agencies to provide, in a prominent place, voter registration cards. Passed the Assembly August 30th, 69-1. Senate concurred with amendments August 31st, 29-7. Governor's Office.

BUILDING PERMITS

SB 2797 (Ellis) Would give developers automatic extensions on building permits when citizens, city councils or county boards of supervisors pass slow-growth measures. An urgency measure, the legislation would take effect before the November elections when a number of California communities will be voting on slow-growth initiatives. Passed the Assembly August 23rd, 64-8. In Senate inactive file.

ASSEMBLY

Democrats	ACA 60	AB 1197	AB 1201	AB 1725	AB 2319	AB 2595	SB 5	SB 6	SB 1978	SB 2592	SB 2703	SB 2795	
Areias	Y	Y	Y	Y	Y	•	Y	Y	Y	N	Y	Y	Areias
Bane	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Bane
Bates	Y	•	Y	Y	Y	Y	N	Y	Y	N	Y	N	Bates
Bronzan	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Bronzan
W. Brown	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	W. Brown
Burton	Y	N	Y	Y	N	Y	N	Y	Y	N	•	•	Burton
Calderon	Y	•	Y	Y	Y	Y	•	Y	Y	Y	Y	Y	Calderon
R. Campbell	Y	Y	Y	Y	N	Y	•	Y	Y	N	Y	Y	R. Campbell
Chacon	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Chacon
Clute	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Clute
Condit	Y	Y	Y	Y	Y	N	Y	Y	Y	N	Y	Y	Condit
Connelly	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Connelly
Cortese	Y	N	Y	Y	Y	Y	Y	Y	Y	•	Y	•	Cortese
Costa	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Costa
Eastin	Y	N	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Eastin
Eaves	Y	Y	Y	Y	Y	•	Y	Y	Y	Y	Y	Y	Eaves
Elder	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Elder
Farr	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Farr
Floyd	Y	•	Y	Y	Y	Y	•	Y	•	Y	Y	Y	Floyd
Friedman	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	N	Friedman
Hannigan	Y	Y	Y	Y	Y	Y	•	Y	Y	Y	Y	•	Hannigan
Harris	Y	Y	Y	Y	Y	Y	N	Y	Y	N	•	Y	Harris
Hauser	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Hauser
Hayden	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	N	Hayden
Hughes	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Hughes
Isenberg	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Y	N	Isenberg
Johnston	Y	Y	Y	Y	Y	Y	•	Y	Y	N	Y	Y	Johnston
Katz	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	•	Y	Katz
Killea	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Killea
Klehs	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Klehs
Margolin	Y	•	•	Y	Y	Y	N	Y	Y	N	•	N	Margolin
Moore	Y	Y	Y	Y	Y	Y	•	Y	Y	•	Y	Y	Moore
O'Connell	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	•	O'Connell
Peace	Y	N	Y	Y	Y	•	Y	Y	Y	Y	Y	Y	Peace
Polanco	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Polanco
Roos	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Roos
Roybal-Allard	Y	Y	Y	Y	Y	Y	•	Y	Y	N	Y	Y	Roybal-Allard
Sher	Y	N	Y	Y	•	Y	N	Y	Y	Y	Y	Y	Sher
Speier	Y	Y	Y	Y	Y	Y	•	Y	Y	N	Y	Y	Speier
Tanner	•	•	•	•	•	•	•	•	•	•	•	•	Tanner
Tucker	•	•	•	•	•	•	•	•	•	•	•	•	Tucker
Vasconcellos	Y	N	Y	Y	•	Y	•	Y	Y	•	Y	•	Vasconcellos
M. Waters	Y	Y	Y	Y	Y	Y	N	Y	Y	N	N	Y	M. Waters
N. Waters	Y	Y	Y	Y	Y	N	Y	Y	Y	•	Y	Y	N. Waters

Republicans	ACA 60	AB 1197	AB 1201	AB 1725	AB 2319	AB 2595	SB 5	SB 6	SB 1978	SB 2592	SB 2703	SB 2795	
Allen	N	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Allen
Bader	N	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Bader
Baker	N	Y	N	Y	Y	N	Y	Y	N	Y	•	Y	Baker
Bradley	N	Y	•	Y	Y	N	Y	N	•	Y	Y	Y	Bradley
D. Brown	N	Y	N	Y	Y	N	Y	N	N	Y	Y	Y	D. Brown
Chandler	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	Y	Chandler
Duplissea	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Duplissea
Felando	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Felando
Ferguson	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Ferguson
Filante	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Filante
Frazee	•	Y	N	Y	Y	Y	Y	N	•	Y	Y	Y	Frazee
Frizzelle	N	Y	Y	Y	Y	N	Y	N	•	Y	Y	Y	Frizzelle
Grisham	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	•	Y	Grisham
Hansen	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Hansen
Harvey	N	Y	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Harvey
Hill	N	Y	N	Y	Y	Y	Y	Y	Y	Y	•	Y	Hill
R. Johnson	N	•	•	Y	Y	N	Y	N	N	Y	Y	Y	R. Johnson
Jones	N	Y	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Jones
Kelley	N	Y	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Kelley
LaFollette	N	Y	Y	Y	Y	N	Y	Y	•	Y	Y	Y	LaFollette
Lancaster	N	Y	•	Y	Y	N	Y	Y	Y	Y	Y	Y	Lancaster
Leonard	N	Y	Y	N	Y	N	Y	N	N	Y	Y	Y	Leonard
Leslie	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Leslie
Lewis	N	Y	N	Y	Y	N	Y	N	•	Y	Y	Y	Lewis
McClintock	N	Y	N	Y	Y	N	Y	Y	N	Y	Y	N	McClintock
Mojonnier	N	Y	N	Y	Y	N	Y	Y	Y	Y	Y	Y	Mojonnier
Mountjoy	N	Y	N	Y	Y	N	Y	N	N	Y	Y	N	Mountjoy
Nolan	N	Y	N	Y	Y	N	Y	N	N	Y	Y	Y	Nolan
Quackenbush	N	Y	N	Y	Y	N	Y	N	Y	Y	Y	Y	Quackenbush
Seastrand	N	Y	N	Y	Y	N	Y	N	Y	Y	Y	Y	Seastrand
Statham	•	Y	•	Y	Y	N	Y	Y	Y	Y	Y	Y	Statham
Stirling	N	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Stirling
Wright	N	Y	N	Y	Y	N	Y	Y	N	Y	Y	Y	Wright
Wyman	N	Y	Y	Y	Y	N	Y	N	N	Y	Y	Y	Wyman
Zeltner	N	Y	Y	Y	Y	Y	Y	Y	Y	•	Y	Y	Zeltner

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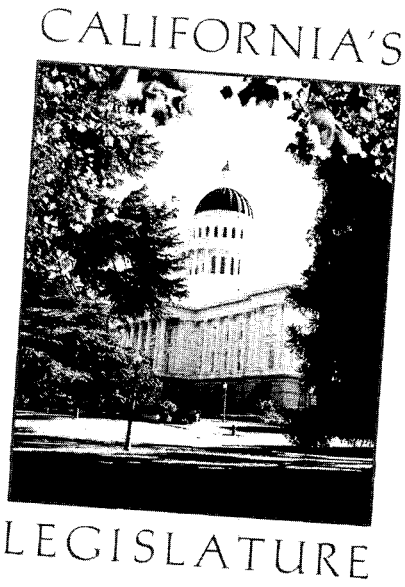
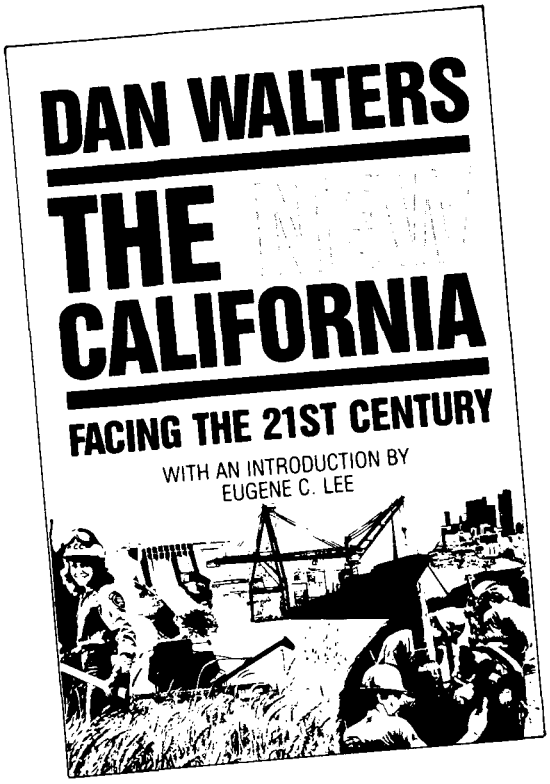
CALIFORNIA'S LEGISLATURE

by James Driscoll

Former Chief Clerk
of the Assembly



California's Legislature by *James Driscoll.* This is a 256-page comprehensive book on the state's Legislature with six chapters covering every aspect of the institution in detail. This latest edition has been completely revised to include data through the 1986 session. Other chapters cover the executive and judicial branches, constitutional history, election law, media, the capitol building and numerous appendices with statistical data and information on the flags of California, seals, the governor's mansion and the origin of California place names. 1986, 6″ x 9″, 256 pages, paperbound, $3.95.



The New California — Facing the 21st Century

by Dan Walters

with an introduction
by Eugene C. Lee

The *Sacramento Bee's* well-known political correspondent, Dan Walters, recently completed a 9000-mile odyssey through California's 58 counties which resulted in a 15-part series in the *Bee.* The articles describe the socioeconomic future of the nation's largest state and the political implications of these trends. This lively and insightful series will be available in book form June 15th. The 180-page book contains numerous charts with detailed political and demographic data. Price: $8.95.

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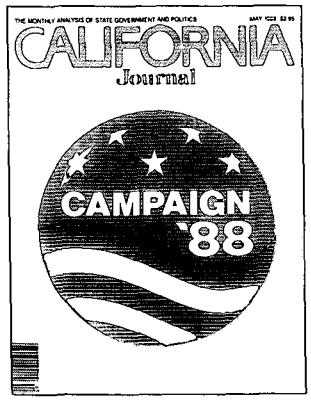

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WASHINGTON PERSPECTIVE

By LARRY LIEBERT

Dukakis — Bush

It's easy to get depressed pondering the choice America is about to make for its next president. "Boring" is the word that comes to mind when Americans consider the bland styles of both Democrat Michael Dukakis and Republican George Bush. The technocratic Dukakis has been derided as "Zorba the Clerk," and war hero Bush has had to live down a "wimp" image because of his preppy manner.

"NASTY" IS THE WORD that comes to mind when voters consider the frequently mean and petty exchanges that have characterized this campaign. The campaign may be mean-spirited partly because the candidates are desperate to jolt awake the voters and interest them in an election that is bereft of compelling candidates or overarching issues.

But the view from Washington is not all that grim. The sense here is that government is a serious business and that both Dukakis and Bush are serious and intelligent believers in public service. In that sense, the next president is certain to be a world away from Ronald Reagan. His sunny optimism and appealingly simple solutions were coupled with a short attention span and a disregard for complexities. One commentator recently asked the snide question: Can America get used to having a smart president again?

Reagan's brand of conservatism also was built on a deep distrust and disdain for the federal bureaucracy he headed. Even after years in charge of the federal establishment, Reagan displayed no qualms about attacking the "puzzle palaces on the Potomac."

By contrast, Dukakis speaks reverently of "competence" in managing government as a cardinal virtue. And Vice President Bush said in his acceptance speech at the Republican convention: "Does government have a place? Yes. Government is part of the nation of communities — not the whole, just a part. And I don't hate government. A government that remembers that the people are its master is a good and needed thing."

Of course, none of this will guarantee that the next president will be a great one. Dukakis is untested in foreign policy and federal issues. Doubts persist about whether Bush can ever become a take-charge leader after a career in the shadows of stronger politicians. Equally important, the same bland qualities that are boring voters in this fall campaign could be a real handicap when the new president attempts to lead and rally the nation next January.

Jimmy Carter showed how badly a president can do if he lacks that aura of personal command. Ronald Reagan demonstrated how far a president can go if he has it.

Meanwhile, in Washington:

Larry Liebert is Washington bureau chief for the San Francisco Chronicle.

• Nobody will say much about the FBI investigation of corruption in the California Legislature. But insiders on Capitol Hill say that some members of California's congressional delegation were hardly surprised that some of their Sacramento counterparts may have been snared by a vote-for-cash sting operation. Even in Washington, where political wheeling and dealing is a way of life, the California Legislature has developed a reputation for crass deal-making with special-interest contributors.

• The summer's biggest political story in Los Angeles was the leaked memo of advice to city councilman and potential mayoral candidate Zev Yaroslovsky. He had to sever his ties to the authors, hard-charging political consultants Carl D'Agostino and Michael Berman, after the *Los Angeles Times* published excerpts of the memo. In it, the consultants scoffed that Yaroslovsky had an advantage of "50 IQ points" over incumbent Mayor Tom Bradley. They also offered some crass and cynical advice about the Jewish councilman's ability to extract money from wealthy Jewish contributors.

Perusing the files of the Federal Elections Commission here, it is noted that D'Agostino and Berman have also made an enemy out of a Northern California congressman — Fortney (Pete) Stark of Walnut Creek. Back before the June 1986 Democratic primary, Stark specifically asked that D'Agostino and Berman not list him on their East Bay version of their lucrative Democratic slate cards. The slate cards are a tricky little political device that make Berman and D'Agostino a ton of money. In that 1986 primary alone, candidates and interest groups involved in initiative campaigns paid the pair more than $1.9 million, according to federal records.

In return, the paying candidates get listed on postcards that are deceptively labeled "Democratic Voter Guide." Only in the tiniest of print does the mailing reveal that it is "not an official" list of Democratic endorsements. Just to add to the illusion of legitimacy, Berman and D'Agostino load up the cards with the names of prominent Democratic office-holders who do not pay to be listed.

Stark did not want to be listed back in 1986 because he did not want to take sides in a bitter race for the Alameda County Board of Supervisors. But his requests were ignored by the slate-makers, creating the impression that Stark joined in the card's paid endorsement of the eventual winner, Don Perata. Rather than let the matter drop, Stark took his complaint to the Federal Elections Commission.

"I THINK THEY'VE BEEN TOO CUTE," Stark said of the Berman-D'Agostino tactics. "In a sense it's kind of a shakedown, too. They've been charging a lot of dough."

Recently, the slow-moving FEC closed the case, ruling that the slate cards violated federal law by failing to state clearly that Stark did not authorize or pay for the use of his name. Voter Guide, a Berman-D'Agostino organization, paid a $2000 civil penalty.

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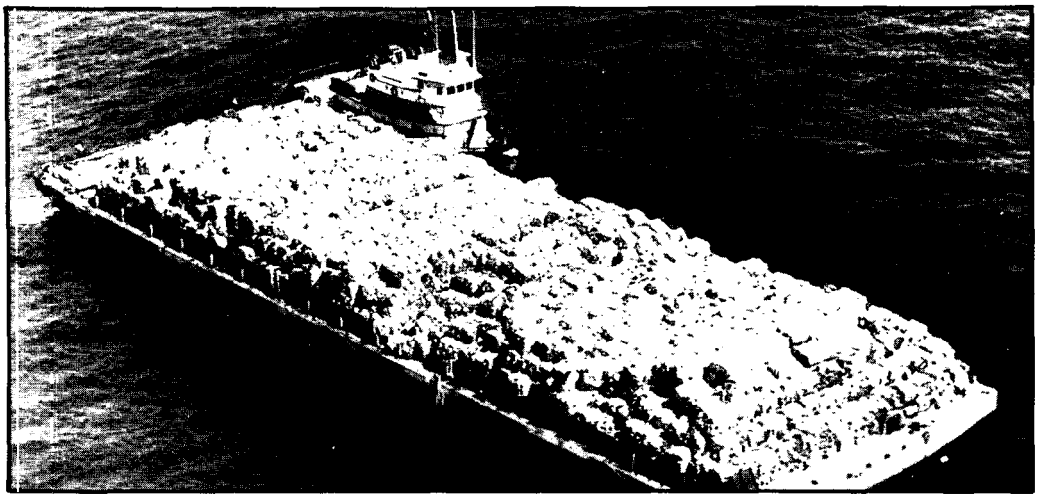

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